COLONIES.

CORRESPONDENCE

RELATING TO THE

SUGAR CONFERENCE AT BRUSSELS,

1901-1902.

Presented to both Houses of Parliament by Command of His Majesty.
April, 1902.

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1902.

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53	Society and Planters	Leeward Islands (Antigua) Telegram.	(Rec. Mar. 8.)	Expresses gratitude for successful efforts of the Secretary of State, and asks for early interim assistance for factories.	35
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64	To Governor Sir A. W. L. Hemming.	Jamaica	March 14	Acknowledges receipt of Nos. 48, 49, and 54.	40
65	India Office ...	Mauritius	March 17	States that a copy of No. 52 will be at once forwarded to the Government of India for their information.	41
66	To Governor Sir A. W. L. Hemming.	Jamaica	March 18	Requests that an acknowledgment of No. 58 may be sent to the senders.	41
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69	Messrs. Wilkinson & Gaviller.	Barbados	March 24	Encloses a report of a deputation referred to the Governor, and a statement showing that the sugar industry will be in grave peril pending the coming into force of the Convention.	42
70	Governor Sir J. A. Swettenham.	British Guiana, Telegram.	(Rec. Mar. 24)	Reports that the Chamber of Commerce and the Planters' Association beg to offer their congratulations to the Secretary of State and to thank him for his persistent efforts to obtain fair play for the sugar industry of the British Colonies.	44
71	The Crédit Foncier of Mauritius, Limited.	—	March 26	Forwards resolution passed at a joint meeting of the Boards of the Crédit Foncier and the Agricultural Company of Mauritius relative to the abolition of bounties and the necessity of immediate relief to the sugar industry.	44
72	The Bank of Mauritius, Limited.	—	March 26	Encloses resolutions on the abolition of sugar bounties and the necessity of immediate relief to the sugar industry.	45

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74	Governor Sir F. M. Hodgson.	Barbados	March 8 (Rec. Mar. 27.)	Remarks upon the critical condition of the sugar industry in the Colony, and encloses papers.	51
75	To Governor Sir J. A. Swettenham.	British Guiana.	March 27	Acknowledges receipt of No. 70 ...	59
76	To Messrs. Wilkinson & Gaviller.	Barbados	March 27	Observes that the Governor proposed to send a despatch to the Secretary of State on the subject of the deputation and that it will probably be received by the mail now due.	59
77	The Royal Jamaica Society and Merchant's Exchange.	Jamaica	March 12 (Rec. Mar. 31.)	Confirms Nos. 49 and 58	60
78	To the Bank of Mauritius, and the Crédit Foncier of Mauritius.	—	April 1	Acknowledges receipt of Nos. 71 and 72	60
79	To Governor Sir R. B. Llewelyn.	St. Lucia	April 1	Acknowledges receipt of Nos. 73 and 41	60
80	To Governor Sir A. W. L. Hemming.	Jamaica	April 1	Requests that the Royal Jamaica Society may be informed that No. 77 has been duly received.	61
81	Governor Sir A. W. L. Hemming.	Jamaica	March 19 (Rec. April 2.)	Encloses copy of a letter from the Royal Society of Jamaica urging the entire removal of all duty on cane sugar until the coming into operation of the Convention : expresses hope that every possible relief to the industry may be given by His Majesty's Government.	61
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84	Governor Sir Charles Bruce.	Mauritius	March 8 (Rec. April 7.)	Forwards copies of the Resolutions referred to in No. 52, and copy of a letter from Mr. Quintin Hogg to the Secretary of State for India, and remarks on the situation.	62
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COLONIES.

CORRESPONDENCE

RELATING TO THE

SUGAR CONFERENCE AT BRUSSELS,

1901-1902.

No. 1.

MR. CHAMBERLAIN to the GOVERNOR-GENERAL AND GOVERNORS OF THE SELF-GOVERNING COLONIES.*

(Sent November 12, 1901.)

TELEGRAM.

Sugar Bounties Conference likely to re-assemble shortly. His Majesty's Government propose to suggest clause providing that any Convention approved shall not be applicable to Colonies, unless notice has been given by them of adhesion through His Majesty's Government, within a certain time of signature of Convention. Trust that this will meet the views of your Ministers. Telegraph reply.

No. 2.

NEW ZEALAND.

GOVERNOR THE EARL OF RANFURLY to MR. CHAMBERLAIN.

(Received 9.33 a.m., November 14, 1901.)

TELEGRAM.

Referring to your telegram of November 12th,† proposal of His Majesty's Government Sugar Conference satisfactory to New Zealand.

* Canada, Australia, Newfoundland, New Zealand, Cape Colony, and Natal.

† No. 1.

No. 3.

CAPE COLONY.

GOVERNOR SIR W. F. HELY-HUTCHINSON to MR. CHAMBERLAIN.

(Received 1.12 p.m., November 14, 1901.)

TELEGRAM.

November 14. No. 1. Referring to your telegram of November 12th, No. 1,* Sugar Conference. Ministers approve of clause suggested..

No. 4.

NEWFOUNDLAND.

GOVERNOR SIR CAVENDISH BOYLE to MR. CHAMBERLAIN.

(Received 2.35 p.m., November 14, 1901.)

TELEGRAM.

My Ministers agree to proposal mentioned in your telegram of November 12th.*

No. 5.

NATAL.

GOVERNOR SIR H. E. McCALLUM to MR. CHAMBERLAIN.

(Received 2.55 p.m., November 15, 1901.)

TELEGRAM.

November 15. No. 1. Referring to your telegram of November 12th,* No. 1, Ministers approve of proposed clause.

No. 6.

CANADA.

GOVERNOR-GENERAL THE EARL OF MINTO to MR. CHAMBERLAIN.

(Received 9.55 p.m., November 20, 1901.)

TELEGRAM.

Sugar Bounty Conference proposals in your telegram of November 12th* meet views of responsible Ministers.

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* No. 1.

No. 7.

AUSTRALIA.

GOVERNOR-GENERAL THE EARL OF HOPETOUN to MR. CHAMBERLAIN.

(Received 10.5 a.m., November 23, 1901.)

TELEGRAM.

In answer to your telegram of 12th November* with reference to Sugar Conference Cabinet Ministers express satisfaction with terms proposed.

No. 8.

WEST INDIES.

THE WEST INDIA ASSOCIATION OF LIVERPOOL to COLONIAL OFFICE.

(Received December 4, 1901.)

[*Answered by No.* 11.]

West India Association of Liverpool, 3, Cook Street, Liverpool,

SIR, December 3, 1901.

THE prospective early re-assembling of the Brussels Conference on Sugar Bounties, must be the excuse of my Association for addressing you at the present time.

It is hardly needful for us to point out how much the West Indies and British Guiana have suffered by these bounties, but this is accentuated at the present time by the extremely low price of sugar in the markets of the world, and we venture to express a hope that His Majesty's Government will instruct the delegates who may represent Great Britain at the Conference to press for the early abolition of bounties, in the hope it may lead to a reduced sowing of Beets next Spring, which appears to us the only possible chance of relieving the present state of the market.

I have, &c.,
W. H. ALTY,
Chairman.

No. 9.

WEST INDIES.

THE WEST INDIA ASSOCIATION OF GLASGOW to COLONIAL OFFICE.

(Received December 6, 1901.)

[*Answered by No.* 13.]

SIR, 172, St. Vincent Street, Glasgow, December 5, 1901.

WE beg leave to approach you with reference to the International Conference on sugar bounties. We will not recapitulate all the arguments which can be used against this form of unfair trade of which we know you to be already fully aware. We would, however, respectfully draw your attention to some points which show, that, even more than ever before, the British West Indies now stand urgently in need of fair treatment.

1. At present several Colonial Governments are in financial straits notwithstanding increased taxation. The only way of affording relief, and preventing them becoming a drain on His Majesty's Government is by placing the sugar industry on a sound basis, when we venture to believe that not only would revenue become sufficient, but the burdens now pressing so heavily on tax-payers would be relieved.

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* No. 1.

II. For some years the West Indies have been driven to the United States of America for a market. There their sugar meets bounty-fed sugar on fair terms, but British Colonies are thus dependent on a Foreign Government whose interests for the time being are suited by the admission on fair terms of West Indian sugar. Last year the sugar consumption of the United States was 2,219,000 tons. This year it is estimated Louisiana will produce 300,000 tons, United States beetroot crop 150,000 tons, Hawaii 300,000 tons, Porto Rico 100,000 tons, the Philippine Islands 100,000 tons, Cuba 900,000 tons—in all 1,850,000 tons, and most of these countries show a considerable annual increase in their production.

It is evident therefore that at no distant date America's sugar demand will not be greater than what can be produced by herself and her dependencies. With an ample supply of cane sugar assured to her we fear that the admittance of foreign sugar on fair terms would be contrary to the usual fiscal arrangements of the United States of America and therefore unlikely to continue. If the American market were to become practically closed to British sugar, we can see nothing before the West Indies but still greater ruin than has already overtaken them unless their staple product is permitted to meet foreign sugar on fair terms in the markets of the Mother-country.

III. Of the probability of the construction of an Inter-oceanic Canal you have doubtless more certain knowledge than we have—but if such a work is undertaken it will constitute a serious drain on the labour resources of the West India Islands. This has already been felt to a considerable extent when labour requirements on the mainland have been on a much smaller scale than is likely to be the case if the United States Government construct a canal. Sugar planters would therefore require to be in a position to pay higher wages in order to retain sufficient labour. This they could only afford if their industry were placed on the sound basis of fair competition.

IV. Fruit culture was at one time urged upon the West Indies as a substitute for sugar. Experience has now proved that as an auxiliary industry fruit growing is of great benefit, but will not suffice as a main industry on which the prosperity of a Colony is to depend. Thus the Island which grows the largest quantity of fruit has had to submit to ever increasing taxation, and though now heavily taxed it is still in financial difficulties. The chief reason of this is, that while fruit culture has largely increased, sugar has diminished and with it general prosperity and revenue, for there is a much greater circulation of money in the cultivation and manufacture of sugar than in fruit growing.

We respectfully submit therefore that the private enterprise of the West Indies cannot contend with the state-aided production of sugar on the Continent of Europe, but if the unjust conditions now existing were removed the cane sugar industry would not only be successfully carried on, but would be increased. We would therefore respectfully urge His Majesty's Government to instruct their representative at the Brussel's Conference to protest against the giving of bounties on beetroot sugar by Foreign Governments, and to state that, if continued, His Majesty's Government will feel it necessary, in the interest of their Colonies, to prevent the destruction of their staple industry, by either excluding sugar receiving a bounty of any description or by imposing on such sugar an equivalent countervailing duty.

The price of sugar is now lower than ever before, we therefore earnestly hope that if His Majesty's Government decides to take action there will be no delay in doing so, and thus save many Estates from abandonment.

We have, &c.,

ALEX. CRUM EWING,
Chairman.

No. 10.

BARBADOS.

GOVERNOR SIR F. M. HODGSON to MR. CHAMBERLAIN.

(Received December 10, 1901.)

[*Answered by No.* 14.]

SIR, Government House, Barbados, November 22, 1901.

I HAVE the honour to transmit to you a Resolution which was passed in the House of Assembly on the 19th instant, and presented to me on the same date by a deputation appointed for the purpose. It refers, as you will see, to the outlook for the sugar industry, and to the extreme jeopardy to which Barbados will be exposed unless an amelioration of the present state of things can be brought about as a result of the Conference upon sugar bounties, which it is understood is to assemble at Brussels on the 15th December. I transmit also a copy of the Debate* on the Address.

2. In a despatch which I addressed to you on the 8th May* on the subject of the establishment of Central Sugar Factories in Barbados I presented to you as accurately as I could at the time the economic condition of the planters and labourers of the island. I am able to say now that what I then depicted was not by any means overdrawn. I find that such is the penury which everywhere exists that at this period of the year when the sugar estates have the minimum amount of employment to offer to the labouring classes, the almshouses—as the workhouses are called here—are filled to overflowing, and further that many persons commit small crimes in order to get into prison and so obtain the food which they find themselves otherwise unable to supply themselves with. This latter statement may appear to be incredible, but there are no reliable data to otherwise account for the fact that, during the months that the estates are not reaping and grinding their canes and when the small earnings effected when the estates are at full work have been exhausted, the average number of prisoners incarcerated in the gaol rises from 370 to upwards of 500 a month.

3. At the present time the market price of sugar is less than it costs to produce it in Barbados. I do not propose to refer to the causes which have led to over-production, and the consequent fall in value, nor would it be profitable to discuss to what extent the price has been affected by bounties. It is sufficient to state the fact, and to say that it means a further reduction in the amount available for distribution among the peasantry in wages.

4. I stated in the despatch already referred to that any further reduction in the rate of wages is impracticable without causing severe distress and wide-spread discontent, and I do not hesitate to say now that, if the already existing distress is in any way accentuated, the powers of endurance possessed by the negro labourer will be broken down, and we shall be brought face to face with a crisis which will undoubtedly be very serious and very difficult to deal with. I do not refer to the planters. They are already more than half ruined, but they are not starving.

5. By the action of His Majesty's Government in bringing about a Conference of the representatives of sugar-producing countries in the matter of bounties, the planters recognise that solicitude in their behalf and in that of their labourers is being shown, and they are, I can assure you, very grateful. They seem to see the silver lining to the dark clouds which have for so long overshadowed the industry which at one time made the islands of the West Indies valuable possessions of the Crown. It is their hope that the opportunity for averting a disastrous crisis in the history of these islands, a crisis which must occur unless action is taken to avert it, may not be lost, and it is with that hope that the House of Assembly of Barbados has passed the accompanying Resolution, and it is with that hope too that I have the honour to transmit it to you.

I have, &c.,
F. M. HODGSON.

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* Not printed.

Enclosure in No. 10.

House of Assembly.

Resolved that this House views with the gravest apprehension the outlook for the price of sugar during the coming crop of 1902, the price now offered being below the cost at which planters are able to produce it. The Royal Commission of 1897 was unable to advise any substitute for the growing of sugar-canes which alone could provide employment for our redundant population. The Commissioners also unanimously ascribed the decay of the West Indies to the malevolent action of Foreign Bounties.

This House therefore request His Excellency the Governor to represent to His Majesty's Government the state of extreme jeopardy to which this Island is exposed, and to urge His Majesty's Government to do all in their power to re-assemble the Brussels Conference at the earliest possible moment, and to give His Majesty's representatives thereat all possible authority for taking such action as will ensure the abolition or neutralization of such Bounties.

F. J. CLARKE,
Speaker.

November 19, 1901.

No. 11.

WEST INDIES.

COLONIAL OFFICE to THE WEST INDIA ASSOCIATION OF LIVERPOOL.

SIR, Downing Street, December 11, 1901.

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 3rd instant* expressing, on behalf of the West India Association of Liverpool, the hope that the British delegates to the forthcoming Conference at Brussels may be instructed to press for the early abolition of bounties.

I am, &c.,
C. P. LUCAS.

No. 12.

WEST INDIES.

MESSRS. SANDBACH, TINNE and CO. to COLONIAL OFFICE.

(Received December 13, 1901.)

[*Answered by No.* 15.]

SIR, Liverpool, December 12, 1901.

WE have the honour to enclose a Memorial on Sugar Bounties.

We are, &c.,
SANDBACH, TINNE, & CO.

Enclosure in No. 12.

To the Right Honourable JOSEPH CHAMBERLAIN, M.P., His Majesty's Secretary of State for the Colonies, Downing Street, London.

The Memorial of the undersigned Merchants, Manufacturers, Exporters, Importers, Brokers, and Refiners in the City of Liverpool, concerned in the welfare of the West Indies.

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* No. 8.

Respectfully sheweth:—

(1) That the present condition of the West Indian Colonies calls for the immediate action of His Majesty's Government in order to avert their ruin, which is imminent.

(2) That this condition has been directly caused by—

(*a*) The overproduction of sugar fostered by the European Bounty Systems,

(*b*) The admission to British markets of Bounty-fed sugar, which has so penalized British Colonial sugar as to exclude it for many years, and has seriously injured the home industry of refining,

(*c*) The loss of credit due to the conviction of capitalists that reductions in the cost of manufacture, or increase of the output in British Colonies would be neutralized by a corresponding increase in the Bounties.

(3) That the markets of the United States of America, which have alone for the past few years saved the West Indian Sugar Colonies from disaster, will shortly be closed to them by the admission of Cuban and Porto Rico Sugar free of duty, and by the impetus given to local beet and cane industries by the protective policy of the American Government.

(4) That no remedy other than the abolition or the neutralization of all Bounties on Sugar can avert a catastrophe, and that Government grants in aid of Central Factories or of alternative industries can but postpone it for a short time.

(5) That the abolition of Bounties will lead immediately to the revival of credit in the West Indies, and thereby to increased efficiency and economy in production, and, in the near future, to an assured supply to British markets at natural prices.

(6) That the past policy of His Majesty's Government has, by acquiescing in the Protection by Foreign Governments of their Sugar in our markets, been opposed to Free Trade.

Your Memorialists therefore pray that His Majesty's Government will empower the representatives at the forthcoming Brussels Conference on Sugar Bounties to take such steps as will secure the abolition of all Bounties on Sugar, and thereby re-establish Free Trade in our own markets, and avert wholesale disaster in our West Indian Colonies.

SANDBACH, TINNE, AND CO.,
West India Merchants,
3, Cook Street, Liverpool.

ELDER, DEMPSTER, AND CO.,
Steamship Owners, &c.

THOS. and J. W. HARRISON,
Steamship owners.

BUSHBY, SON, and BEAZLEY,
Colonial Brokers,
11, Rumford Street.

DUNCAN EWING & CO.,
Wood Brokers,
Liverpool and London Chambers.

MACFIE AND SONS,
Sugar Refiners,
34, Moorfields, Liverpool.

HENRY TATE AND SONS, Limited,
Sugar Refiners,
H 15, Exchange, Liverpool.
William H. Tate, Managing Director.

For FREDERICK LEYLAND & Co. (1900), Limited,
West India and Pacific Department,
Director,
Steamship Owners.

For FAIRRIE & Co., LIMITED,
Jas. Fairrie, Managing Director,
K 19, Exchange Buildings.
R. J. GLASGOW,
Bootle.
and 54 others.

December, 1901.

No. 13.

WEST INDIES.

COLONIAL OFFICE to THE WEST INDIA ASSOCIATION OF GLASGOW.

SIR, Downing Street, December 13, 1901.

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 5th instant* representing the desirability of abolishing Sugar Bounties in view of their prejudicial effect on the trade of the West Indian Colonies.

I am, &c.,
C. P. LUCAS.

No. 14.

BARBADOS.

MR. CHAMBERLAIN to GOVERNOR SIR F. M. HODGSON.

SIR, Downing Street, December 17, 1901.

I HAVE the honour to acknowledge the receipt of your despatch of the 22nd ultimo,† forwarding copy of a Resolution which was passed in the House of Assembly on the 19th ultimo, requesting you to represent to His Majesty's Government the present serious position of the sugar industry in Barbados, and to urge that all that is possible should be done to re-assemble the Brussels Conference at the earliest possible moment, with a view to the abolition or neutralization of the Sugar Bounties.

The House of Assembly will have since learnt that the Brussels Conference has been called together again for the 16th instant; it is my earnest hope that the deliberations of the Conference may have an early and satisfactory result.

I have, &c.,
J. CHAMBERLAIN.

No. 15.

WEST INDIES.

COLONIAL OFFICE to MESSRS. SANDBACH, TINNE, AND CO.

GENTLEMEN, Downing Street, December 27, 1901.

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 12th inst.,‡ forwarding a Memorial on the subject of Sugar Bounties, addressed to him by Liverpool merchants and others.

Mr. Chamberlain is well aware of the injury which has been caused to the West Indian Colonies by the Bounty System, and he trusts that the outcome of the Brussels Conference, which is now sitting, may be beneficial to those Colonies, and to the Sugar industry, on which some, at any rate, of them mainly depend.

At the present moment, the signatories of the Memorial will not expect a further expression of his views.

I am, &c.,
C. P. LUCAS

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* No. 9. † No. 10. ‡ No. 12.

No. 16.

WEST INDIES.

THE ANTI-BOUNTY LEAGUE to COLONIAL OFFICE.

(Received January, 1902.)

SIR, Anti-Bounty League, Billiter Square Buildings, E.C., January 9, 1902.

IN view of the re-assembling of the Brussels Conference on the Sugar Bounty Question, and of the satisfactory assurances which have been given as to the attitude of His Majesty's Government and their intention to adopt such measures in co-operation with the Bounty-giving Powers as will secure the general abolition of the Bounties by means of an International Convention, we feel some hesitation in respectfully submitting for your consideration the following observations, in which we venture to forecast the situation, which will have to be faced in our West Indian sugar-producing Colonies, and the nature of the responsibilities which will thereby be entailed on the Imperial Government—and especially on the Imperial Exchequer—in the event of the failure of the Brussels Conference and a continuance of the policy of non-intervention hitherto pursued by this country in regard to the foreign Sugar Bounties.

In the existing position of the Sugar Industries of the world, and in view of the unprecedented fall in prices, we wish, first of all, to state our firm conviction, based on the considerations detailed below, that, unless credit and stability are restored to the British West Indian sugar industry—a result which can only now be attained either by the total and immediate abolition of the Bounties in every shape and form, or by their neutralisation in British markets—the practical extinction of that industry must necessarily ensue within a very short period.

That we are taking no exaggerated or alarmist view of the present situation may be shown by a comparison of the data on which the Royal West Indian Commissioners based their forecast of the future of the industry in 1897 (*vide* pars. 38 and 541 of their Report), with the data available for making a similar forecast to-day. In 1897 the Commission reported that "looking to the prices now prevailing and to the probabilities as to the future of prices . . . the sugar-cane industry of the West Indies is threatened with such reduction in the immediate future as may not, in some of the Colonies, differ very greatly from extinction."

Since this forecast was made, the prospects have grown immeasurably worse, for the following reasons :—

1. The price of sugar has fallen from an average of 8*s.* to 9*s.* per cwt. (88 per cent. Beet), the prices then prevailing, to 6*s.* 6*d.*, the present Market quotation.
2. The supply of sugar, through the artificial stimulus of the Continental Bounties, now so greatly exceeds demand that on the basis of present "visible supplies" it is estimated that the surplus stocks will amount in 1902 to more than 2,000,000 tons, as against 1,000,000 tons in 1896/7, a then unprecedented and phenomenal quantity. (*Vide* F. O. Licht's Monthly Report, December 15th 1901.)
3. The temporary advantages derived from the imposition of countervailing duties by the United States in 1896 will—for reasons which we have previously submitted for your consideration—very shortly cease to be enjoyed by British West Indian sugar.
4. The operation of the recently inaugurated Cartel System in Germany and Austria, whose annual surplus production of sugar constitutes the dominating factor in the world's supply, will, unless checked, ensure the continuance of the present "glut" in the open markets of the world and consequently a continuance of the present low range of prices, previously never even approached.

In connection with this, we would refer you to the letter recently forwarded by us to the Marquess of Lansdowne, copy of which is enclosed.* It will be seen that the Cartel has doubled the German Bounty which was £1 5*s.* per ton. It is now £2 10*s.* and

* Not printed.

can, with the consent of the German Government, be increased to £3 15*s*. without any alterations of the existing Customs and Excise Duties. Thus, if the Cartel is allowed to continue, the German Government can well give up its official Export Bounty and still leave the industry with double the Bounty it enjoyed last year. The price paid by the German Fabricants for roots for the current crop was from 1 mk. to 1.25 mks. per quintal and it is expected that for the coming crop the price will be fixed at 80 pfgs. to 85 pfgs. per quintal. This will reduce the cost of the output of sugar to the Factories by £1 per ton. With this reduction in the price of roots, it is believed that next crop they will be able to sell for export at £6 per ton, or about £3 per ton below the cost of production, and yet realise a profit in their output on a whole.

In view of the considerations above summarised and of the fact that sugar cannot be produced in the West Indies, taking the average cost of production (which compares favourably with the average of the other sugar-producing districts of the world, whether of Cane or Beet), at less than £8 10*s*. to £9, it is evident, even without the further fall in price which experts confidently anticipate, that the sugar industry of the West Indies must be completely extinguished in the immediate future, if matters are allowed to take their course. If this were a passing phase, and the present low prices were due to natural causes, it would bring about its own cure. Badly-managed estates, and those carried on with insufficient capital, would change hands and no loss to the community would occur. But the present case is entirely different. The low price is due to artificial causes alone, and if the artificial causes remain unchecked, will, undoubtedly, be accentuated. What inducement is there to any capitalist to continue the contest ? Those who have no capital must be ruined. Those who have capital will give up, and, after the bitter experience of the last 40 years, will cease their hopeless struggle against impossible odds.

It remains for us to consider the consequences and count the cost of such a catastrophe.

The consequences of the failure of the sugar industry, as set forth in pars. 39–43 of the Report of the Royal Commission may be tabulated as follows :—

1 Great want of employment for the labouring classes with a corresponding fall in the rate of wages and a lamentable reduction of the standard of living.

2. Falling off in the public revenues concurrent with additional outlay in providing for the population by emigration or otherwise, and the consequent inability of some of the Governments to meet their absolutely necessary expenditure, including interest on debt.

3. The repatriation of the coolies engaged on the sugar estates in British Guiana, which might involve a large expenditure, "which under the circumstances must fall upon the public funds."

From the consequences grouped under the first heading no large direct call on the British Exchequer need perhaps be anticipated beyond the additional expense incurred in the use of the naval and military forces of the Crown for the preservation of law and order among an unemployed and, in some cases, starving population.

Very large and immediate calls, however, would have to be met in connection with the second and third heads, the nature of which it may be possible to estimate, though but roughly, from a consideration of the following points :—

(*a*) The number and population of the Colonies, which would be most seriously affected.

(*b*) The amounts of their respective public revenues, expenditures and debts.

(*c*) The number of years during which Subventions or Grants-in-aid from the Imperial Exchequer would have to be continued until the Colonies concerned became once more industrially and financially self-supporting.

With regard to (*a*), "while none of the Colonies (except Grenada) would escape," all would not suffer in the same degree. The degree of the distress which will be entailed may be roughly measured by the percentages of the products of the sugar cane, in the total exports of the respective Colonies.

For convenience of reference we quote the percentages worked out in the Report of the Royal Commission, which are materially the same to-day as in 1896–7, appended to a table of the Colonies affected :—

Colony or Island.	Population.	Expenditure.	Public Debt.	Percentage of Sugar cane Products in Total Exports. (Excluding gold from British Guiana.)
		£	£	
British Guiana	287,000	525,000	928,000	94½
Trinidad	260,000	672,000	911,000	57
Tobago	18,000	7,000	5,000	35
Barbados	192,000	207,000	414,000	97
St. Lucia	47,000	63,000	187,000	74
St. Vincent	44,000	47,000	15,000	42
Antigua	36,000	51,000	137,000	94½
St. Kitts-Nevis	46,000	47,000	69,000	96½
Dominica	26,000	25,000	59,000	15
Montserrat	11,000	16,000	11,000	62
	967,000	£1,660,000	£2,740,000	

It will be seen that in the case of four of the Colonies, viz.: British Guiana, Barbados, Antigua and St. Kitts-Nevis, the products of the sugar cane practically constitute the whole of the exports. Bearing in mind that any savings which could be effected by reducing official salaries, &c., or by cutting down Government expenses on Public Works, Education, Hospitals, Asylums, &c., must be more than counterbalanced by the cost of feeding or relieving the unemployed population and organising either a system of settlement on the abandoned estates, or an extensive scheme of emigration, or whatever other schemes of relief may be decided on, it may safely be assumed that the extinction of the sugar industry in these four Colonies would, by extinguishing the sole source of the Public Revenue, entail on the British tax payer an annual burden for some time to come, at least equivalent to their present annual expenditure, in addition to the capital charges of the public debts, which, it may be assumed, would have to be taken over by the Imperial Exchequer. Estimated on these lines, the burden thrown on the British tax payer will amount to the following totals :—

——	Annual Expenditure.	Public Debts.
	£	£
British Guiana	525,000	928,000
Barbados	207,000	414,000
Antigua	51,000	137,000
St. Kitts-Nevis	47,000	69,000
	£830,000	£1,548,000

In the case of the three above islands, it is difficult to place a limit of time to the heavy annual expenditure which would be required in face of the fact that there is no industry or industries which can completely replace the growth and production of sugar and afford the requisite employment for the population, especially in crowded Barbados. In British Guiana, the necessity for expenditure on the above scale would cease comparatively quickly.

In the case of the other islands, where sugar exports form a smaller percentage, it must be remembered, that while Trinidad has rich resources in its cacao industry and entrepot trade, it is burdened with a heavy liability in connection with the repatriation of the Indian coolies, and that St. Vincent and Dominica* are already practically bankrupt, and have only been enabled to carry on by the aid of Grants-in-aid from the Imperial Parliaments. Under these circumstances it is, we think, a fair estimate to assume that, while it may not be necessary for the Imperial Exchequer to take over the capital charges of their public debts, the revenues will fall off, taking the average of the six colonies, by at least one-half, should the sugar industry fail, and that the burden of the deficit (for some time at least—though for a shorter period than in the case of the other four Colonies) would fall on the British tax payer. Estimated on these lines, the total annual charge will amount to £420,000, thus :—

	Half Annual Expenditure.
Trinidad	£336,000
Tobago	3,500
St. Lucia	36,500
St. Vincent	23,500
Dominica	12,500
Montserrat	8,000
	£420,000

With regard to 3, we have assumed in the case of Trinidad that the liabilities for the repatriation of the coolies will be met with the help of the subsidiary resources of the Colony without any further call on the Imperial Exchequer than that above estimated. British Guiana possesses no such subsidiary resources (except gold mining, which cannot be regarded as an important revenue-producing industry), and the whole of the liability (as to which it is noted by the Royal Commissioners, that "if there were any general abandonment of sugar cultivation, the whole condition of affairs in the Colony would so change it is possible there might be a general desire among the immigrants to return to India"), would fall on the Imperial Exchequer. It is estimated that the cost of such repatriation would not amount to less than £1,000,000.

The total liabilities, therefore, which will accrue, if the above estimates and assumptions, based on the Report of Royal Commission, are to be accepted, will be as follows :—

Public debts taken over.	Current expenditure.	Cost of repatriation of Coolies from British Guiana.
£	£	£
...	830,000	...
...	420,000	...
1,548,000	1,250,000	1,000,000

We honestly think that the above figures represent a fair estimate. It will be observed that we have omitted any reference to Jamaica, in whose case it is more than probable that the failure of the sugar industry (which constitutes 20 °/₀ of the exports and affords employment to probably not less than 40,000 of the population), would so aggravate her already serious financial embarrassments as to necessitate the grant of a considerable subvention from the Mother Country, in addition to the £20,000 a year which is now being paid on account of the direct steamer service.

* COLONIAL OFFICE NOTE.—This statement is inaccurate as regards Dominica.

We have set forth in previous paragraphs the reasons which lead us to believe that, if matters are allowed to take their course, the abandonment of the sugar estates and the extinction of the sugar industry in the West Indies will be at once rapid and universal. You are aware, Sir, that the first steps towards abandonment have already been taken in the instructions sent out by many proprietors to their managers to reduce expenditure in field and factory to the barest minimum, pending the present uncertainty of affairs. We are firmly convinced that, given a continuance of the present prices, the conclusion of the next crop season will see at least one-half of the industry extinguished, and the season after the practical extinction of the whole.

We have ventured, not without much hesitation and reluctance, as we have pointed out, to attempt the unpleasant and extremely difficult task of estimating carefully and dispassionately the financial result of a catastrophe, the imminence of which—so sharp and sudden has been the recent break in prices—is, we believe, hardly yet realised, even in the West Indies, much less in this country.

In conclusion, we can only beg that you, Sir, and the Government, will give the matter your most earnest consideration, and that, should the Brussels Conference prove abortive, as in 1898, before asking this country to acquiesce in the policy of non-intervention hitherto pursued in regard to the Bounties, you will use your powerful influence in laying before your colleagues and before Parliament as clear an estimate as possible of the cost which such a policy must inevitably entail, not merely on the Colonies directly interested, but on the people of this country.

We have, &c.,

STANMORE,
President.

NEVILE LUBBOCK,
Chairman of Executive Committee.

MAYSON M. BEETON,
Secretary.

No. 17.

LEEWARD ISLANDS (ANTIGUA).

GOVERNOR SIR H. M. JACKSON to MR. CHAMBERLAIN.

(Received 4.30 p.m., January 11, 1902.)

TELEGRAM.

[*Answered by No.* 21.]

Influential deputation representing entire interest of sugar industry in this island, both resident and non-resident, request me to inform you by cable that position of industry is so critical that immediate action is necessary to save stoppage of work. Advices received by mail to-day of meeting of principal consignees in London confirm previous notification that they have decided not to make further advances after reaping present crops. Resident owners also declare themselves decided not to continue cultivation under present conditions. Deputation state that only possible means of ameliorating condition of sugar industry are imposition of preferential duties in favour of British Colonial sugars, or imposition by Great Britain of countervailing duties, or, finally, sugar bounties.

Members of deputation are well qualified to speak as to actual facts, and I beg to strongly support their representations.

No. 18.

BARBADOS.

GOVERNOR SIR F. M. HODGSON to MR. CHAMBERLAIN.

(Received 8 a.m., January 16, 1902.)

TELEGRAM.

[*Answered by No.* 22.]

Have the honour to communicate following resolution passed yesterday :—

Begins: That this meeting of planters and merchants respectfully urge Governor, Barbados, telegraph to Secretary of State for Colonies, immediate abolition of sugar bounties and cartels absolutely necessary for preservation of sugar industry, on which employment the large population entirely depends, and for continuance of which there is already greatest difficulty to obtain cash advances.—*Ends.*

May I be allowed to add that critical state of affairs calls for fullest possible assistance from His Majesty's Government.

No. 19.

BRITISH GUIANA.

GOVERNOR SIR J. A. SWETTENHAM to MR. CHAMBERLAIN.

(Received 8.55 p.m., January 17, 1902.)

TELEGRAM.

[*Answered by No.* 24.]

Deputation of Planters' Association and Chamber of Commerce, Georgetown, make urgent representations as to critical state of affairs sugar industry in consequence of sugar bounties, price unremunerative at present rates, apprehensive of deplorable results, very earnestly requesting countervailing duties against foreign subsidies and cartels.

No. 20.

LEEWARD ISLANDS (ST. KITTS).

GOVERNOR SIR H. M. JACKSON to MR. CHAMBERLAIN.

(Received 9.15 p.m., January 20, 1902.)

TELEGRAM.

[*Answered by No.* 23.]

Public meeting planters ask me to make urgent representations to you as to desperate situation of sugar industry here, immediate action towards abolition of cartels and bounty systems, or imposition countervailing duties will alone restore confidence.

No. 21.

LEEWARD ISLANDS (ANTIGUA).

MR. CHAMBERLAIN to GOVERNOR SIR H. M. JACKSON.

SIR, Downing Street, January 21, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 11th January,* reporting that an influential deputation representing the entire sugar interest of Antigua have stated to you that immediate action is necessary to prevent the stoppage of the industry and have urged the imposition of preferential duties in favour of Colonial sugars or of countervailing duties on foreign bounty-fed sugars.

2. I have not lost, and will not lose, sight of the critical position of the sugar industry of the island at the present time.

I have, &c.,
J. CHAMBERLAIN.

No. 22.

BARBADOS.

MR. CHAMBERLAIN to GOVERNOR SIR F. M. HODGSON.

SIR, Downing Street, January 21, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 16th of January,† forwarding and endorsing a resolution passed at a meeting of Barbados planters and merchants to the effect that the immediate abolition of foreign bounties and cartels is absolutely necessary for the preservation of the sugar industry of the Colony.

I am well aware of the critical situation which is at present impending in the Colony, and the matter is having my earnest attention.

I have, &c.,
J. CHAMBERLAIN.

No. 23.

LEEWARD ISLANDS (ST. KITTS).

MR. CHAMBERLAIN to GOVERNOR SIR H. M. JACKSON.

SIR, Downing Street, January 21, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 20th instant,‡ stating that a public meeting of planters at St. Kitts have requested you to make urgent representations as to the position of the sugar industry, and as to the necessity of immediate action to abolish cartels and the bounty system.

I have to inform you that these matters are receiving the earnest attention of His Majesty's Government.

I have, &c.,
J. CHAMBERLAIN.

No. 24.

BRITISH GUIANA.

MR. CHAMBERLAIN to GOVERNOR SIR J. A. SWETTENHAM.

SIR, Downing Street, January 22, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 17th of January,§ in which you report that a deputation from the British Guiana Planters'

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* No. 17. † No. 18. ‡ No. 20. § No. 19.

Association and Georgetown Chamber of Commerce have made urgent representations as to the critical state of the sugar industry, and have earnestly requested the imposition of countervailing duties against foreign subsidies and cartels.

I have, &c.,
J. CHAMBERLAIN.

No. 25.

TRINIDAD.

GOVERNOR SIR C. A. MOLONEY to MR. CHAMBERLAIN.

(Received 10.20 p.m., January 21, 1902.)

TELEGRAM.

[*Answered by No.* 30.]

The following Resolutions at public meeting, over which I presided, unanimously carried this day :—

That in the opinion of this meeting the abolition of bounties on sugar or the imposition by the Imperial Government of countervailing duties is absolutely vital to the existence of the sugar industry of this Colony and to the maintenance of its commercial prosperity.

Second.—That the Chamber of Commerce and Agricultural Society of Trinidad humbly and loyally venture to lay at the foot of the Throne their respectful endorsement and grateful appreciation of expression of hope contained in His Majesty's recent speech from the Throne to his Parliament that the decision of the Brussels Sugar Conference may result in abandonment of bounty system by which his sugar producing Colonies have been unfairly weighted.

No. 26.

LEEWARD ISLANDS (ANTIGUA).

GOVERNOR SIR H. M. JACKSON to MR. CHAMBERLAIN.

(Received January 30, 1902.)

[*Answered by No.* 32.]

SIR, Government House, Antigua, January 11, 1902.

I HAVE the honour to inform you that a deputation, consisting of the gentlemen whose names are appended to the attached memorial, and who represent practically the whole of the sugar-growing industry in this island, approached me yesterday afternoon, and after stating their views as to the present position of that industry, requested me to telegraph to you, urging the vital importance of the abolition of bounties, as unless there was some early improvement in the existing conditions the cultivation of the estates must be given up.

2. It was pointed out by some members of the deputation that the resident proprietors were in a worse position than the non-resident, as the latter invariably derived only a portion of their incomes from their estates, and were thus better able to tide over seasons of depression like the present, especially if there was reasonable ground for expecting early improvement in the industry. The resident proprietors on the other hand, as a rule, derive their whole means from their business, and unless it can be conducted without actual serious loss, it is impossible that they can long continue to carry it on.

3. The figures given in the memorial are taken from the daily return of prices telegraphed from New York and London, and show that Muscovado sugar has dropped to a price at which it is not possible to produce it, and unless there is some change for

the better before the end of the present crop, no steps will be taken to plant another, and the entire population will be left without the means of obtaining a livelihood.

4. At the close of our interview I requested the deputation to favour me with a short memorandum of the chief points which they wished me to lay before you, as I was anxious to be sure that I was correctly representing their views. They consented to do so and sent me the memorial, of which a copy accompanies this despatch, a summary of which is contained in the telegram* which I despatched to you this morning, and which I now confirm.

5. I feel that it is quite unnecessary for me to dwell upon a situation which has for so long already engaged your serious attention, and which you have so strenuously endeavoured to improve. The very representative body of sugar planters which has desired me to lay before you the fresh and very critical conditions which have arisen expressed the fullest confidence that you will appreciate their gravity. The measures suggested in the memorial, should it be possible to carry them out, would no doubt go far to enable the industry to be carried on without loss, and to restore prosperity to these unfortunate islands, and prevent them from continuing to be an anxiety and a burthen to His Majesty's Government.

I have, &c.,
H. M. JACKSON,
Governor.

Enclosure in No. 26.

We, the undersigned owners and representatives of owners of sugar estates in Antigua, respectfully beg to draw Your Excellency's attention to the following facts :—

The present position of the sugar industry is so highly critical that we are compelled to consider the outlook with a view to immediate action. We are moved to this by the phenomenally low price at which sugar is now being quoted—the price for 88 per cent. beet f.o.b. to-day being 6*s.* 4½*d.* per cwt. (the lowest price previously quoted in the bad season 1883–4, when sugar reached its lowest recorded price, being 8*s.* 2½*d.*). Muscovado sugar is quoted to-day at 3⅛ cents per 1 lb. duty paid in New York, this being equivalent to 5*s.* 9*d.* per cwt. nett. These facts alone almost express the hopelessness of the position.

The leading London merchants who are financing estates in this island, and who represent a very considerable proportion of the sugar cultivation, have definitely notified their constituents that they will not continue to advance for the cultivation of sugar after the reaping of this crop, unless some important changes considerably improve the position. The resident owners express the same opinion, and are unable to continue their cultivation under the present conditions.

In our opinion the position may be, to a large extent, ameliorated by :—

1. The imposition of preferential duties in favour of British Colonial sugar.
2. The imposition by Great Britain of countervailing duties.
3. The abolition of sugar bounties, and this notwithstanding the prospect of the erection of a central factory at an early date.

We pray Your Excellency to communicate this expression of opinion to His Majesty's principal Secretary of State by cable.

THOMAS D. FOOTE.
JNO. J. CAMACHO.
J. FREELAND FOOTE.
FRANK HOLBOROW.
ARCHIBALD SPOONER.
W. H. LEDEATT.
R. S. D. GOODWIN.
A. P. COWLEY.

His Excellency,
Sir Henry M. Jackson, K.C.M.G.

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* No. 17.

No. 27.

BARBADOS.

GOVERNOR SIR F. M. HODGSON to MR. CHAMBERLAIN.

(Received January 30, 1902.)

[*Answered by No.* 35.]

SIR, Government House, January 15, 1902.

To Secretary of State, of 22/11/01. From Secretary of State, of 17/12/01.

REFERRING to the correspondence* noted in the margin with regard to the state of the sugar industry in Barbados and the action which is being taken by His Majesty's Government with regard to sugar bounties, I have the honour to inform you that a meeting of planters and merchants was held yesterday in Bridgetown to discuss the situation, when the following resolution was unanimously agreed to :—

> "That this meeting of planters and merchants respectfully urge His Excellency the Governor to telegraph to the Secretary of State for the Colonies that the immediate abolition of cartels and bounties is absolutely vital to the preservation of the sugar industry of Barbados, on which the employment of the vast population entirely depends, and for the continuance of which it is already most difficult to obtain advances."

2. The resolution was presented to me this morning by a deputation consisting of the following gentlemen :—

Honourable Sir George Pile, President of the Legislative Council.
Honourable W. K. Chandler, LL.D., Master in Chancery.
Honourable J. Gardiner Austin.
Mr. Laurie Pile, M.C.P.
Mr. Forster Alleyne.
Mr. T. W. Wilkinson.
Mr. H. E. Boyle.

And I had the honour of sending it to you by telegraph† to-day.

3. The planters and merchants are viewing the present state of things in Barbados with dismay, and rightly so, for two reasons. In the first place, they see that unless some immediate action of a definite character is taken which will have the effect of resuscitating the cane sugar industry, the former will be unable to obtain cash advances, as no one will continue to advance money to estates which, with the present market prices for cane sugar, have to be worked at a loss. And, secondly, they know that the withdrawal of credit means an early abandonment of several estates and the throwing out of employment of labourers who, as they will then have no means of earning a livelihood, will become a menace to the public peace.

4. I know that you are aware how critical is the situation in the West Indian sugar-growing colonies, and that no words of mine are needed to enlist your sympathies towards the people, who are dependent upon the cane sugar industry But I should fail in my duty if I did not place before you the dangers which threaten the stability of this Colony should, unhappily, an early amelioration of the existing state of things not be found.

I have, &c.,
F. M. HODGSON.

No. 28.

TRINIDAD.

GOVERNOR SIR C. A. MOLONEY to MR. CHAMBERLAIN.

(Received January 30, 1902.)

[*Answered by No.* 34.]

SIR, Government House, January 16, 1902.

I HAVE the honour to forward a copy of a letter I have received from the Secretary of the Trinidad "Cane Farmers' Association" which covered a petition, forwarded in

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* Nos. 10 and 14. † No. 18.

original, signed by 4,333 Cane Farmers, praying for the imposition in England of a countervailing duty on all sugar which is receiving a bounty to the full extent of such bounty.

Undoubtedly the present condition of the sugar industry in Trinidad is very critical, and the extinction of the industry would cause a severe shock to the prosperity of the Colony.

I most cordially support the prayer of the petition.

I have, &c.,
ALFRED MOLONEY,
Governor.

Enclosure 1 in No. 28.

Letter from the HONORARY SECRETARY, Cane Farmers' Association.

Prince's Town, January 3, 1902.

To His Excellency Sir ALFRED MOLONEY, K.C.M.G., Governor in and over the Islands of Trinidad and Tobago and their Dependencies, Commander-in-Chief, &c., &c.

MAY IT PLEASE YOUR EXCELLENCY,

ON Wednesday, December the 11th, pursuant to notice, the General Committee of the Cane Farmers' Association met here; and after a full and intelligent expression of opinion, it was resolved to petition the Secretary of State for the Colonies, in the terms of petition herewith, and to ask Your Excellency graciously to transmit such petition with such expression of opinion as would enforce its earnest appeal for relief.

Be assured that the 4,000 and odd signatures are those of Cane Farmers alone, who have a profound conviction that their means of livelihood is almost hopelessly gone; gone certainly it will be if some remedy is not applied.

They have already had assurance of your tender concern for the struggling Cane Farmers, and are confident that if means of relief are available they will certainly be used.

GEORGE C. WYATT,
Honorary Secretary Cane Farmers' Association.

To the Right Honourable JOSEPH CHAMBERLAIN, His Majesty's Secretary of State for the Colonies.

The humble Memorial of the undersigned Cane Farmers of the Island of Trinidad, respectfully showeth:—

(1.) That the sugar industry is of the utmost importance to this Colony, as it furnishes the daily bread not only of the thousands labouring on the sugar estates, but of the thousands who are engaged in farming canes for the factories.

(2.) The present indications of the probable early extinction of this industry fills your Memorialists with consternation.

(3.) Grave differences do exist between the cane farmers and the factory owners, aggravated doubtless by the unfair treatment the latter have received in the home markets, which has prevented them paying a remunerative price for the canes grown by the farmers; but your Memorialists approach you in the interest of the whole sugar industry.

(4.) The recent tax on sugar, which has been levied in consequence of the war, is the last straw which breaks the back of the sugar industry of this and many others of England's Colonies, unless a remedy is applied.

(5.) Your Memorialists believe that the only remedy for the present state of affairs is the establishment of countervailing duties on all sugars which receive a bounty to the full extent of such bounty; this they consider would be fair play, without doing violence to the principles of Free Trade.

(6.) Your Memorialists are certain that His Excellency the Governor of this Colony will confirm the fact that the cane farming industry should be encouraged from every point of view—social, political, and economic—and that its collapse would be disastrous not only to the thousands directly engaged in it, but to the general welfare of the Colony.

(7.) That in view of these and other considerations that might be urged, your Memorialists would with assured confidence leave their cause in your hands, relying not only on the justice of their cause and your ability to urge it on His Majesty's Government, but on your sympathy with those who through no fault of their own stand on the verge of ruin.

And your Petitioners as in duty bound will ever pray.

Henry C. Warner Grecian Donawa Manuel Ferreira Henry Cecil Bain Amphy S. E. Ayers	Vice-Presidents, Cane Farmers' Association.
Jno. Mendonca A. J. Sinkia Wm. Arthur Rolston F. E. Reece Alex. Murray Jno. Kelly D. Mahabir John Dalgliesh Arthur Josiah Mitchell Joseph Cooper And others.	Members of Committee, Cane Farmers' Association.

George C. Wyatt,
Secretary, Cane Farmers' Association.

No. 29.

LEEWARD ISLANDS (MONTSERRAT).

Governor Sir H. M. JACKSON to Mr. CHAMBERLAIN.

(Received 6.5 p.m. January 30, 1902.)

Telegram.

[*Answered by No.* 33.]

Legislative Council, Montserrat, state that majority sugar estates still in cultivation will be abandoned after present crop, and large portion of labouring classes and mechanics left out of employment. Am requested to forward following Resolution :—

> That this Council desire to impress on His Majesty's Government urgent necessity for taking prompt measures to cope with destitution and starvation, inevitable in consequence of this catastrophe.

No. 30.

TRINIDAD

Mr. CHAMBERLAIN to Governor Sir C. A. MOLONEY.

Sir, Downing Street, January 31, 1902.

I have the honour to acknowledge the receipt of your telegram of 21st inst.* communicating the terms of a Resolution passed at a public meeting held on the 21st inst. in favour of the abolition of sugar bounties or the imposition of countervailing duties

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* No. 25.

and conveying from the Chamber of Commerce and Agricultural Society of Trinidad, an expression of their grateful appreciation of the reference to the Sugar Conference contained in His Majesty's recent speech from the throne.

I have, &c.,
J. CHAMBERLAIN.

No. 31.

BARBADOS.

MESSRS. WILKINSON & GAVILLER to COLONIAL OFFICE.

(Received February 3, 1902.)

[*Answered by No.* 36.]

DEAR SIR, 34 Great Tower Street, London, E.C., January 31, 1902.

THE following is an extract of a letter we received yesterday from a leading firm of Merchants in Bridgetown, Barbados. Their letter is dated the 18th January, 1902.

> "The prospects of sugar and molasses for the approaching season are most alarming, and if nothing is done on your side in the way of preferential duties, we fear that absolute ruin for the island generally will result, as not only will the planters fail to pay back the expenses of cultivation, for which the coming crop is already entirely mortgaged, but we do not see how money will be raised for carrying on the cultivation for the crop of 1903, as even if the estates are placed in Chancery (which we expect will be the case as soon as the crop is reaped), it then remains to be seen whether merchants will advance money against estates, although they are in Chancery, and they would thus obtain security not only against the crop, but the corpus as well, with the certainty of getting their money tied up in landed security which would not be realizable. Again, the most serious outlook is with regard to our redundant black population, who, as you know, are dependent on the labour they procure on the estates for their daily food and would be reduced to a state of starvation."

We wish to fully confirm the above, and to add that it will be impossible for ourselves or other merchants to continue to find the necessary capital for the cultivation of the sugar crops in Barbados under existing conditions. Present prices mean absolute ruin to the industry and all concerned.

We beg that you will bring this letter to the notice of Mr. Chamberlain, and with a sincere hope that His Majesty's Government will take such steps as will save the Sugar Colonies from impending disaster.

We remain, &c.,
WILKINSON & GAVILLER.

No. 32.

LEEWARD ISLANDS (ANTIGUA).

MR. CHAMBERLAIN to GOVERNOR SIR H. M. JACKSON.

SIR, Downing Street, February 4, 1902.

I HAVE the honour to acknowledge the receipt of your despatch of the 11th of January,* forwarding a copy of a memorial from certain estate owners in Antigua respecting the present condition of the sugar industry in that island, and urging the abolition of Sugar bounties or the imposition of countervailing duties, or of preferential

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* No. 26.

duties in favour of British Colonial Sugar, and to refer you in reply to my despatch of the 21st ult.*

I have, &c.,
J. CHAMBERLAIN.

No. 33.

LEEWARD ISLANDS (MONTSERRAT).

MR. CHAMBERLAIN to GOVERNOR SIR H. M. JACKSON.

SIR, Downing Street, February 4, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 30th of January,† reporting that the Legislative Council of Montserrat state that the majority of the sugar estates in the island will be abandoned after the present crop, and desire to impress on His Majesty's Government the urgent necessity of prompt measures to cope with the resulting destitution.

I have to inform you that the condition of the West Indian sugar industry is occupying the urgent attention of His Majesty's Government.

I have, &c.,
J. CHAMBERLAIN.

No. 34.

TRINIDAD.

MR. CHAMBERLAIN to GOVERNOR SIR C. A. MOLONEY.

SIR, Downing Street, February 4, 1902.

I HAVE the honour to acknowledge the receipt of your despatch of the 16th of January,‡ forwarding a petition from members of the Cane Farmers' Association, praying for the imposition in this country of countervailing duties on bounty-fed sugar.

2. I have to request that you will inform the petitioners that the position of the West Indian sugar industry is engaging the careful attention of His Majesty's Government.

I have, &c.,
J. CHAMBERLAIN.

No. 35.

BARBADOS.

MR. CHAMBERLAIN to GOVERNOR SIR F. M. HODGSON.

SIR, Downing Street, February 4, 1902.

I HAVE the honour to acknowledge the receipt of your despatch of the 15th of January,§ relative to the condition of the sugar industry in Barbados, and forwarding a resolution carried at a meeting of planters and merchants, the terms of which were previously conveyed to me in your telegram of the 16th ult.‖

I have, &c.,
J. CHAMBERLAIN.

No. 36.

BARBADOS.

COLONIAL OFFICE to MESSRS. WILKINSON & GAVILLER.

Downing Street, February 7, 1902.

GENTLEMEN,

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 31st ultimo¶ on the subject of the prospects of sugar cultivation in Barbados,

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* No. 21. † No. 29. ‡ No. 28. § No. 27. ‖ No. 18.
¶ No. 31.

and to inform you that the present critical condition of the sugar-growing colonies in the West Indies is receiving Mr. Chamberlain's close attention.

I am, &c.,
C. P. LUCAS.

No. 37.

BRITISH GUIANA.

GOVERNOR SIR J. A. SWETTENHAM to MR. CHAMBERLAIN.

(Received February 14, 1902.)

[*Answered by No.* 40.]

SIR, Government House, Georgetown, Demerara, January 21, 1902.

ON the 17th instant a deputation consisting of the following persons, viz. :—
The Honourable B. Howell Jones, Member of the Executive Council,
The Honourable R. G. Duncan, Member of the Court of Policy,
Mr. A. P. P. Mackey,
Mr. J. B. Laing, and
Mr. A. Summerson,
came to me about the present position of the sugar industry in this Colony.

2. The deputation explained that in this matter they represented not only the Planters' Association of the Colony but also the Chamber of Commerce of Georgetown.

3. Quoting from the published report of the Comptroller of Customs of this Colony for 1900-1901 the deputation pointed out that the value of sugar had been as follows :—

——		Tons.	Value.
			Dollars.
Five years	1881–85	112,753	9,988,230
„	1886–90	115,184	7,885,853
„	1891–95	108,256	6,792,517
„	1896–1901	96,818	5,176,430

proving a progressive diminution of price of 48 per cent. and a decrease of production of 14 per cent. After quoting the corresponding figures for the bye products of the sugar cane, viz. :—Rum and Molasses, the deputation stated that until this year they have managed by employing improved machinery and careful tillage accompanied by the plentiful use of expensive artificial manures, to keep the sugar industry still going, notwithstanding the adverse influence of a great fall in price.

4. Next discussing the value of the sugar industry to this Colony the deputation shewed what a large proportion of the exports of the Colony (75 per cent. at their calculation) was due to the Sugar cane, and assuming the value of a year's crop of 100,000 tons of sugar with the bye products to be 5,500,000 dollars, they calculated that this sum would represent 3,000,000 dollars paid in wages in the Colony, leaving 2,500,000 dollars available for payment for immigration, taxation, machinery, manures and the like ; and from these considerations they deduced the conclusion that if the sugar industry should now succumb, the immediate consequence would be the ruin of the Colony, which could not find remunerative employment for the labourers who would then be destitute, and would be compellable to repatriate most of the unemployed immigrants from British India, though the Special fund for that purpose would have become insolvent by the failure of the security, *i.e.* the plantations.

5. Bad as prices have been in past years, they are now worse than they have ever been. The deputation estimated the present prices at £7 14*s.* per ton (or taking the *American* price of the day, at £7 per ton only)—including bye products the rate would be £9 18*s.* 4*d.* As regards the future of prices there was the greatest uncertainty.

During the last few years the Colony had practically been supported by assistance from the United States of America whose customs system had been so regulated as to admit the sugar of the Colony at an advantage of from fifteen to twenty shillings per ton over beet sugar: but that state of things could not be relied upon to continue, and the prospect was that the United States of America would soon be able to supply themselves from their own territory and dependencies.

6. The main reason for the low prices which were now killing the cane sugar industry, the deputation pointed out, was the free admission into and the sale in Great Britain, which should be the chief market for the Colony, of beet sugar produced on the continent of Europe under a system of bounties and of extraordinary encouragement by foreign Governments.

They pointed out that this free admission led to extensive over-production of beet sugar, and to unfair competition between cane sugar and beet sugar in which the advantage necessarily remained with the State aided product. They expressed their belief that such free admission was not in accordance with the free trade doctrine as propounded and understood by the Manchester School of political economists which never contemplated such extraordinary competition as that arising from State aided or State protected industries: and they expressed their confident hope that the people of Great Britain would not regard with indifference proceedings which were tending to ruin their own Colonial industries, especially as when once those industries were ruined beyond repair the consequences would be to place the Mother Country at the mercy of foreigners as regards the price of an article of the first necessity. The transient benefit to consumers of a few years of most unduly low prices could hardly outweigh this great disadvantage.

7. In conclusion, the deputation requested me to notify to you by telegram their earnest request that the Government of Great Britain might be pleased to impose countervailing duties on all sugar imported into Great Britain after being produced under a system of Government subsidies, or under a system of cartels or other devices whereby Government aid to a foreign industry was made useful by trade combinations in facilitating and favouring the export of sugar to Great Britain.

8. I have accordingly despatched the following telegram to you on the 17th instant:—*

> "Deputation from Planters' Association and Chamber of Commerce Georgetown, make urgent representations as to critical state of affairs sugar industry in consequence of sugar bounties: price unremunerative at present rates: apprehensive of deplorable results very earnestly requesting countervailing duties against foreign subsidies and cartels."

9. In transmitting to you the abstract of the views of the deputation I desire to add that I believe the deputation consisted of gentlemen who have very large local interests in sugar, and that I believe they thoroughly represent local opinion in these matters.

10. Five years have now elapsed since the West India Royal Commission visited this Colony: it reported (*inter alia*—paragraphs 29 to 37) that, if matters were allowed to remain as they were, no considerable or permanent rise in the price of sugar could be counted on.

The average prices realised for sugar in the markets to which it was sent during the last five years, are given hereunder:—

	1896–97.	1897–98.	1898–99.	1899–1900.	1900–01.	Present prices.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£. s. d.
Refining Crystals, per ton to United States.	10 6 2½	9 11 8	10 16 8	12 3 7	11 17 6	7 5 10
Yellow Crystals, per ton to United Kingdom.	10 14 10	10 8 4	11 12 0	16 6 0	13 15 0	10 0 0
Molasses sugar, per ton...	8 2 8	7 16 3	8 6 8	14 0 0	9 11 8	5 8 4
Rum, per puncheon ...	4 3 2½	4 5 5	3 15 0	6 5 0	10 8 4	5 10 0
Muscovado Molasses per puncheon.	4 3 7	2 3 9	3 7 0	5 4 2	5 6 3	No quotation.
Vacuum Pan Molasses, per puncheon.	2 3 4	1 7 1	2 10 0	5 8 4	5 9 4½	3 2 6

* No. 19.

The production has been as follows :—

——	1896–97.	1897–98.	1898–99.	1899–1900.	1900–01.
Sugar, tons	107,074	100,840	96,648	84,782	94,745
Rum, puncheons	32,912	31,044	27,240	33,344	40,238
Molasses, puncheons	9,131	4,714	5,745	3,858	2,301

and the gross value :—

	£	£	£	£	£
Sugar	1,098,398	1,023,523	1,040,982	1,101,754	1,127,457
Rum	136,927	132,586	144,712	208,397	299,392
Malasses	20,926	9,821	11,968	20,091	12,371
Total	1,256,251	1,165,930	1,197,662	1,330,242	1,439,220

out of which the sugar industry has expended the following sums in importing :—

——	1896–97.	1897–98.	1898–99.	1899–1900.	1900–01.
	£	£	£	£	£
Sugar machinery	36,431	33,381	38,758	67,019	36,312
Manures	74,817	72,597	76,411	88,120	100,901

11. It will be borne in mind that the Royal Commission reported (paragraph 109) a very serious condition of things was rapidly approaching, and that the crisis would be reached in a very few years, and that they reported (paragraph 51) that the benefit which the British Empire as a whole derives from any lowering of the price of sugar due to the operations of the bounty system is too dearly purchased by the injury which that system imposes on a limited class, viz.—His Majesty's West Indian and other subjects dependent on the sugar industry.

12. I annex certain figures supplied by members of the deputation which purport to give some details of the general cost of working sugar estates.

I have, &c.,
J. A. SWETTENHAM.

P.S.—I may add as regards the personnel of the deputation that—

Mr. Howell Jones is a large private proprietor : one of the few local proprietors left :

Mr. Duncan represents Messrs. Curtis, Campbell and Company, of which Mr. Quintin Hogg used to be a member : it is one of the large firms here :

Mr. Mackey and Mr. Laing are Financial Members of the Combined Court : Mr. Mackey represents Messrs. Booker Bros., McConnell and Company, very large proprietors ; and Mr. Laing represents Messrs. Sandbach, Parker and Company (The Demerara Company) :

Mr. Summerson represents The New Colonial Company (the Lubbocks).

Enclosure in No. 37.

The columns below give the actual expenditure for the year 1901 on—

I. eight estates under the charge of the New Colonial Company, Limited:

II. ten estates under the charge of Messrs. Booker Bros., McConnel and Company, Limited.

——	Column I.	Column II.
	$	$
Wages	448,000	606,000
Manure	78,000	115,000
Immigration	73,000	106,000
Machinery	48,000	115,000
Shipping, Rail, and Drogherage ...	34,000	50,000
Supplies, General	197,000	351,000
Management	98,000	109,000
Total	$976,000	$1,452,000
Crop, in tons	18,800	26,600
Average cost per ton	$52	$54·5

No. 38.

LEEWARD ISLANDS (ST. KITTS).

GOVERNOR SIR H. M. JACKSON to MR. CHAMBERLAIN.

(Received February 14, 1902.)

SIR, Government House, St. Kitts, January 27, 1902.

I HAVE the honour to inform you that on the 20th inst. the Honourable E. G. Todd, Secretary to the local branch of the West Indian Committee, waited on me on behalf of a general meeting of the sugar growers in this Presidency, and asked me to represent to you by telegram the situation of the sugar industry here, which they regard as desperate.

2. I transmitted to you accordingly on the same day the following telegram* :—

> "Public meeting planters ask me to make urgent representations to you as to desperate situation of sugar industry here, immediate action towards abolition of cartel and bounty systems, or imposition countervailing duties, will alone restore confidence."

3. A further public meeting was held on the 24th inst., at which, I was informed by the deputation selected to approach me, not a single estate was unrepresented, and the Memorial prepared and signed by the deputation, and afterwards presented to me, was unanimously adopted. The deputation came to me straight from the meeting, and

* No. 20.

at an interview, at which the Administrator, Mr. Cox, was present, the Memorial, of which I transmit a copy for your consideration, was handed to me.

4. The Memorial states that the market price of sugar is far below the actual cost of production, and that the extraordinary surplus stock must, for some time to come, prevent its rising to a remunerative figure, even if the effect of the bounty system is successfully neutralized. They add that a crisis is therefore imminent, and cannot be averted, but that the only means by which its severity may be mitigated is the suspension for the current year of all taxation directly bearing on the sugar industry.

5. I questioned the delegation closely as to the facts on which their statement is based, and they declared most positively that, unless the relief now sought for is afforded, a considerable number at least of the estates will be unable to prepare for the next crop, and that a very large number of labourers will thus be thrown out of work and become dependent on relief works.

6. I pointed out to the delegates that the market was already beginning to respond slightly to the improved prospects of the sugar industry, resulting from the action of the British delegates to the Conference. This they admitted, but reiterated their belief that the magnitude of the stock in hand must inevitably prevent the price of sugar rising for the present to a figure at which it would be possible to produce it at a profit, and added, that as the effect of either the abolition of the bounties or the imposition of countervailing duties must for some time remain problematical, it would be impossible for many estates to raise the means to continue cultivation after the reaping of the present crop, unless their absolutely certain loss could be lessened by the remission of taxation suggested, which they calculate would reduce the loss by about 10*s*. 8*d*. per ton, the total loss per ton at present prices being over 30*s*.

7. I see no reason, as at present advised, to doubt the accuracy of the statements in the Memorial and in the conversation that ensued, but I need hardly point out that in a community like this, which is wholly dependent on a single industry, and which is therefore unanimous in viewing the present situation with the utmost dread, the difficulty is great of obtaining any information which would enable one to qualify representations with which everyone is in hearty sympathy.

8. Mr. Cox, the Administrator, whose whole previous experience has been in the sugar-growing Colony of British Guiana, and who has used every means since his arrival to acquaint himself with the conditions of the industry here, refers to this difficulty in the concluding paragraph of his memorandum, a copy of which, and of my minute to which it is a reply, are attached for your information.

9. Mr. Cox considers that at the present moment the industry is in greater danger than it has ever before been, and though he doubts whether the remission prayed for would be sufficient to avert the impending crisis, he points out that the sugar growers generally have not the capital to improve their position, and that in present conditions outside capital is not obtainable.

10. In support of this view I may inform you, that at our interview Mr. Todd, the spokesman of the deputation, a Member of the Executive Council of the Colony, and one of the oldest and most respected proprietors and planters, assured me that he and others had received letters from their consignees positively refusing to make further advances on completion of this crop unless the planters could show conclusively that they were prepared to reduce the cost of production. In answer to my questions, Mr. Todd stated that the cost had been reduced 25 per cent. since the visit of the Royal Commissioners, but that it was not possible, with their present appliances, to reduce it any further, labour having reached the lowest possible rate.

11. In these circumstances I feel justified in strongly recommending the Memorial to your careful consideration. This year appears to be the turning point of the industry. If the efforts of His Majesty's Government, undertaken at your initiative, prove successful, and produce the effect so keenly hoped for, a fair measure at least of prosperity may return to these sorely tried sugar-growing Colonies; but unless the year can be tided over, without confidence in the industry being destroyed, by the abandonment of the cultivation over any very extensive area, all other means to save it may be rendered abortive, at least for a number of years to come.

12. You will observe that the Memorialists are fully alive to the fact that the remission asked for, which is estimated to amount to about £6,500, would practically be a grant from the Imperial Treasury, a request which nothing but a sense of the gravity of their representations would induce me to submit to your consideration.

I have, &c.,
H. M. JACKSON,
Governor.

Enclosure 1 in No. 38.

SIR, St. Kitts, January 24, 1902.

As delegates from a meeting comprising virtually all the proprietors and representatives of proprietors of sugar estates in this Presidency, we approach Your Excellency with a view to enlisting the assistance of the Colonial Government on behalf of the sole industry on which the existence of the entire community depends, and which, as Your Excellency very well knows, is now in desperate straits. With the tremendous surplus stock of sugar at present accumulating in the markets of the world it is perfectly certain that even if effective measures are taken by the Imperial Government to neutralise the effects of the bounties, prices for some time to come must, as now, remain at a figure far below the actual cost of production.

A crisis is therefore approaching which cannot be averted, but the severity of which may be mitigated by prompt and practical help and sympathy on the part of the Government.

We respectfully suggest to Your Excellency that in this crisis the Government might, by way of helping proprietors to tide over a period of unexampled difficulty, suspend, for the current year, the collection of all taxes directly bearing on the sugar industry.

Our proposal, of course, if accepted will involve a very large deficit in the budget for the year, and as there is no other means of making good this deficit from local sources our request resolves itself into a petition for a grant from the Imperial Exchequer equal to the amount which would be lost by the suspension of taxes. The recent allusion to the condition of the sugar colonies, in His Majesty's speech from the Throne at the opening of Parliament, shows that the present situation is appreciated by the Government at home, and that an appeal for assistance from a severely pressed sugar colony will receive sympathetic consideration.

We most respectfully ask, therefore, that Your Excellency will transmit our appeal for the suspension of direct taxes on the sugar industry for the current year to the Secretary of State for the Colonies backed up by the weight of Your Excellency's support and authority.

We have, &c.,
EDWARD G. TODD,
Representative of Proprietors.
JAS. DOUGLAS ADAMSON.
DAN S. BLAKE, Proprietor.
A. O. THURSTON.

His Excellency, Sir H. M. Jackson, K.C.M.G.,
Governor of the Leeward Islands.

Enclosure 2 in No. 38.

GOVERNOR LEEWARD ISLANDS TO ADMINISTRATOR ST. KITTS.

HIS HONOUR THE ADMINISTRATOR, St. Kitts, January 25, 1902.

I ATTACH for favour of your remarks the memorial presented yesterday by Mr. Todd and others at the interview at which you were present.

I should be glad of your opinion as to how the present position compares with that existing when these taxes were remitted in 1898, and when remission was refused in 1900.

It was stated at the interview that unless this remission is granted, a portion at least of the proprietors would be unable to continue working after the present crop is reaped, and I should like to know how far in your judgment that statement is correct.

H. M. J.

Enclosure 3 in No. 38.

ADMINISTRATOR, ST. KITTS, TO GOVERNOR LEEWARD ISLANDS.

YOUR EXCELLENCY,

I WAS not here in 1898, but the remission of taxes in that year has always seemed to me more of the nature of a tangible expression of sympathy following the report of the Royal Commission.

In 1900 remission was hardly necessary. Prices ruled high, and the short crop realised more than an average crop had for some years.

At the present moment the sugar industry appears to me in greater danger than it has ever been. The recent fall to 27*s.* 8*d.* had almost paralysed operations for the future until the announcement of countervailing duties was received. But the effect of these still seems doubtful and everything will depend on the developments of the next few months or even weeks. I hardly see myself how a gift equivalent to 10*s.* a ton will have any appreciable effect on the industry as a whole, unless it be accepted as an earnest of future assistance from the Imperial Government. I do not believe it possible to make ugar at a reasonable and assured profit at the price quoted recently, far less can there be met the many charges for mortgages, &c., with which the industry is now hampered. Sugar growers generally have not the capital wherewith to improve their position, and outside private capital is not obtainable.

The statement referred to in the concluding paragraph of Your Excellency's minute is probably correct, but I have no means of verifying it. Everything depends, I think, on one of two events: the effect of countervailing duties on the American market for muscovado, and on assistance to make crystals. The ascertainment of the first or a definite pronouncement on the second would probably govern the immediate future.

C. C.

January 25, 1902.

No. 39.

TRINIDAD.

GOVERNOR SIR C. A. MOLONEY to MR. CHAMBERLAIN.

(Received February 14, 1902.)

(EXTRACT.)

Government House, January 29, 1902.

I HAVE the honour to transmit herewith a printed copy of two resolutions that were passed unanimously on the 21st instant at a very large and most representative meeting of planters, merchants and others, held in the Commercial News Room of Port of Spain, which was called by the Chamber of Commerce and the Agricultural Society of Trinidad, in the interests of the sugar industry in its present critical stage, and in connection with the Brussels Sugar Bounty International Conference now re-assembled in that Capital.

Enclosure in No. 39.

RESOLUTIONS.

"That in the opinion of this meeting the abolition of bounties on sugar, or the imposition by the Imperial Government of countervailing duties is absolutely vital to the existence of the sugar industry of this colony and to the maintenance of its commercial prosperity.

"That the Chamber of Commerce and the Agricultural Society of Trinidad humbly and loyally venture to lay at the foot of the Throne their respectful endorsement and grateful appreciation of the expression of hope contained in His Majesty's recent speech from the Throne to his Parliament, that the decision of the Brussels Sugar Conference may result in the abandonment of the bounty system by which His Majesty's sugar-producing colonies have been unfairly weighted.

"That His Excellency the Governor be respectfully requested to cable this resolution to the Right Honourable the Secretary of State for the Colonies."

No. 40.

BRITISH GUIANA.

MR. CHAMBERLAIN to GOVERNOR SIR J. A. SWETTENHAM.

SIR, Downing Street, February 18, 1902.

I HAVE the honour to acknowledge the receipt of your despatch of the 21st of January* reporting and commenting upon the views of an influential deputation which called upon you for the purpose of drawing attention to the condition and prospects of the sugar industry of British Guiana. As you are already aware, the sugar question is engaging the earnest attention of His Majesty's Government.

I have, &c.,
J. CHAMBERLAIN.

No. 41.

ST. LUCIA.

PUBLIC MEETING AT ST. LUCIA to MR. CHAMBERLAIN.

(Received February 26, 1902.)

TELEGRAM.

[*Answered by No.* 79.]

INHABITANTS of St. Lucia in public meeting of all classes, express grateful appreciation of your determined efforts to overcome all kinds (of) Continental bounties. Our salvation depends solely on British Government. We implore you (to) persevere to successful issue, vital to our existence.

No. 42.

BRITISH GUIANA.

GOVERNOR SIR J. A. SWETTENHAM to MR. CHAMBERLAIN.

(Received February 27, 1902.)

[*Answered by No.* 46.]

Government House, Georgetown, Demerara,
SIR, February 5, 1902.

AT the request of the Victoria-Belfield Agricultural Society, which is an association of villagers interested in sugar-cane production, I have the honour to transmit copy

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* No. 37.

of a letter in which I understand them to pray His Majesty's Government to impose countervailing duties on sugar imported into England from countries which pay a bounty on the production or manufacture of that article.

I have, &c.,
J. A. SWETTENHAM.

Enclosure in No. 42.

HONORARY SECRETARY, VICTORIA-BELFIELD AGRICULTURAL SOCIETY, dated 31st January, 1902.

SIR,

REFERRING to your letter of the 27th instant, I beg to apologise for the inaccuracy contained in the previous letter from me, and to quote at length the resolution, adding that it was also resolved that a copy of this resolution be forwarded to His Excellency the Governor praying that it be transmitted to His Majesty's Government.

"Whereas by the assisted efforts of this Society the spirit for the resuscitation of the industry of cane farming by the peasantry has been greatly energised; and whereas the Government having been convinced as to possible beneficial results to the Colony generally by the engagement of the people in this industry and with that aim in view the Combined Court graciously exempted from acreage taxation such lands of sugar plantations as may be cultivated by free labour, and whereas notwithstanding this means of relief, in consequence of the giving of bounties by certain European countries to their producers, thereby enabling them to undersell the cane products of this and other West Indian colonies in the British market, thereby nullifying all the benefits which might be secured, the proprietors of sugar factories being rendered unequal by the low price of cane sugar, to pay remunerative prices for farmers' produce; this meeting of loyal inhabitants respectfully and earnestly calls the attention of His Excellency the Governor to the dangerous crisis impending, and asks that such measures as are now developing by the Imperial Government with respect to counteracting the effects of such bounties may be given effect to."

I have, &c.,
H. A. THOMPSON.

No. 43.

LEEWARD ISLANDS (MONTSERRAT).

GOVERNOR SIR H. M. JACKSON to MR. CHAMBERLAIN.

(Received February 27, 1902.)

[*Answered by No.* 45.]

SIR,

Government House, Antigua, February 10, 1902.

I HAVE the honour to transmit a duplicate of a letter from the Commissioner of Montserrat, forwarding and reporting on a Resolution of the Legislative Council of the Presidency, with regard to the condition of the sugar industry.

2. The members having asked that the substance of the resolution should be conveyed to you by telegraph, I despatched to you my telegram of the 30th ultimo.*

3. The state of affairs, as reported by the Commissioner, is undoubtedly most serious, and it is all the more grave on account of the immense stocks of sugar being poured into the United Kingdom, in anticipation of an increase of duties, which seems likely to prevent the price of sugar improving for some considerable time to come, even should the results of the Brussels Conference be the abolition of the sugar bounties.

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* No. 29.

4. In these circumstances there seems little hope of the estates named in the report continuing cultivation, and if the Commissioner's estimate is correct, nearly one half of the population will be thrown out of work.

I have, &c.,
H. M. JACKSON,
Governor.

Enclosure in No. 43.

Commissioner's Office, Montserrat, West Indies,
January 27, 1902.

SIR,

I HAVE the honour to enclose a resolution passed at a meeting of the Legislative Council to-day, with regard to the condition of the sugar industry in this island, and the members begged His Excellency to convey the purport of the resolution by telegraph to the Secretary of State.

2. At the meeting the Hon. W. H. Wilkin said that owing to the present price of sugar it was impossible for him to obtain advances sufficient to pay the labourers to take off the crop on the ground, and that the present price for the very best class of muscovado ranged from £5 to £5 10*s*., whereas it took from £7 to £8 to produce a ton in Montserrat.

3. Mr. Watson, the Attorney of the Wilkin Estates for Messrs. Sendall & Wade, said that by the last mail he had received notice that, as sugar was at the date of the letter £6 10*s*. per ton (it had since declined in price), they would be unable to continue cultivation after the present crop was taken off. The growing crop for 1902–1903 would, unless prices rose considerably, be abandoned, the present prices not being sufficient to pay the expenses to bring it to maturity—for it would, under present circumstances, be better to give up what had already been expended on that crop. Sugar of no description could be produced at £5 10*s*. a ton. By the estates being abandoned between £2,000 and £3,000, almost half the wages of the island, would be withdrawn from cultivation.

4. From my own knowledge the small owners are unable to obtain advances on their sugar, and are gradually drifting into ruin and destitution. They are living on their little capital by selling off their stock.

5. The present situation is the more to be regretted for the present crop promises to be above the average, in fact the largest since 1896.

6. It is imperatively necessary that measures should be devised at as early a date as possible to meet the crisis in July when the crop will be off—no employment and a scarcity of provisions.

I have, &c.,
F. H. WATKINS,
Commissioner.

The Honourable Sir George Melville, K.C.M.G.,
&c., &c., &c.

Legislative Council, Montserrat.

WHEREAS it has been notified that the majority of the sugar estates still in cultivation in this island will, after the present crop, be abandoned; and whereas a large proportion of the labouring class and mechanics will thus be thrown out of employment:

Be it resolved:

That this Council respectfully begs to impress His Majesty's Government with the urgent necessity for taking prompt measures to cope with the destitution and starvation inevitable in consequence of this catastrophe.

F. H. WATKINS,
Commissioner.

Passed the Legislative Council the 27th January, 1902.

HENRY DELTI,
Clerk.

No. 44.

BRITISH GUIANA.

GOVERNOR SIR J. A. SWETTENHAM to MR. CHAMBERLAIN.

(Received February 27, 1902.)

[*Answered by No.* 46.]

SIR, Government House, Georgetown, Demerara, February 11, 1902.

AT the request of the Royal Agricultural and Commercial Society of this Colony, I have the honour to transmit herewith a copy of a resolution passed by that body on the subject of the imposition of countervailing duties on bounty-fed sugars imported into the United Kingdom.

I have, &c.,
J. A. SWETTENHAM.

Enclosure in No. 44.

Georgetown, February 7, 1902.

Resolution passed at a General Meeting of the Royal Agricultural and Commercial Society of British Guiana, held in Georgetown, at the Society's rooms, on Thursday, the 6th February, 1902 :—

"The Royal Agricultural and Commercial Society of British Guiana, being 'fully convinced of the vital importance to the agricultural and commercial interests of the Colony of securing a fair-trade market in Great Britain for her sugar products, which form the mainstay of the industrial life and general prosperity of the Colony, the members thereof, now in a general meeting assembled, desire to endorse and emphasise the recent action of Agricultural Societies and Chambers of Commerce throughout the West Indies, in approaching the Colonial Office with a view of strengthening the hands of the Home Government in combating the evil effects of Continental bounties and cartel trusts, by the imposition of countervailing duties.

"And they further resolve that a duly certified copy of this motion be forwarded to His Excellency the Governor, for transmission to His Majesty's Principal Secretary of State for the Colonies."

LUKE M. HILL,, M.I.C.E.,
President.
THOMAS DALY,
Honorary Secretary.

No. 45.

LEEWARD ISLANDS (MONTSERRAT).

MR. CHAMBERLAIN to GOVERNOR SIR H. M. JACKSON.

SIR, Downing Street, March 4, 1902.

I HAVE the honour to acknowledge the receipt of your despatch of the 10th of February,* with a duplicate of one from the Commissioner of Montserrat, enclosing a resolution of the Legislative Council with reference to the prospects of the population of that island in the event of the sugar estates being thrown out of cultivation after the next crop.

2. As you are aware, the position of the sugar industry is engaging the serious consideration of His Majesty's Government, and the case of Montserrat will not be forgotten.

I have, &c.,
J. CHAMBERLAIN.

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* No. 43.

No. 46.

BRITISH GUIANA.

MR. CHAMBERLAIN to GOVERNOR SIR J. A. SWETTENHAM.

SIR, Downing Street, March 4, 1902.

I HAVE the honour to acknowledge the receipt of your despatches of the 5th ult. and of the 11th ult.,* forwarding a letter from the Victoria-Belfield Agricultural Society, and a resolution of the Royal Agricultural and Commercial Society of British Guiana in favour of the imposition of countervailing duties on bounty-fed sugars imported into the United Kingdom.

As you are aware, the subject continues to engage the attention of His Majesty's Government and of the International Conference now assembled at Brusssels.

I have, &c.,
J. CHAMBERLAIN.

No. 47.

MR. CHAMBERLAIN to the GOVERNORS OF THE WINDWARD ISLANDS, JAMAICA, TRINIDAD, LEEWARD ISLANDS, BARBADOS, AND BRITISH GUIANA.

(Sent 4.20 p.m., March 6, 1902.)

TELEGRAM.

Sugar Convention signed yesterday, to take effect from September, 1903.

No. 48.

JAMAICA.

THE "DAILY GLEANER," KINGSTON, JAMAICA, to MR. CHAMBERLAIN.

(Received 5.30 p.m., March 6, 1902.)

TELEGRAM.

[*Answered by No.* 64.]

On behalf people Jamaica, grateful thanks your services to Colony abolition bounties.

No. 49.

JAMAICA.

THE MERCHANTS' EXCHANGE, KINGSTON, JAMAICA, to MR. CHAMBERLAIN.

(Received 11.30 p.m., March 6, 1902.)

TELEGRAM.

[*Answered by No.* 64.]

Gratitude for your successful exertions abolition bounties.

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* Nos. 42 and 44.

No. 50.

BARBADOS.

GOVERNOR SIR F. M. HODGSON to MR. CHAMBERLAIN.

(Received 6.58 p.m., March 7, 1902.)

TELEGRAM.

[*Answered by No.* 60.]

Announcement that Sugar Convention has been signed has been received here with much satisfaction, and Colony fully sensible of your exertions on behalf of sugar industry.

No. 51.

ST. VINCENT.

GOVERNOR SIR R. B. LLEWELYN to MR. CHAMBERLAIN.

(Received 8.40 p.m., March 7, 1902.)

TELEGRAM.

[*Answered by No.* 61.]

Planters, merchants, and inhabitants generally, St. Vincent, desire to express high appreciation and gratitude to Secretary of State for Colonies for successful efforts on their behalf at Brussels Conference.

No. 52.

MAURITIUS.

GOVERNOR SIR CHARLES BRUCE to MR. CHAMBERLAIN

(Received 6.9 p.m., March 7, 1902.)

TELEGRAM.

Chamber of Agriculture and Chamber of Commerce on behalf of Colony have requested me to represent to you that importation of cartel sugars into India is paralysing sale of sugar in the market and must equally affect result of coming (home) crop, unless import duties in India are imposed against cartel till the Brussels Conference Convention comes into operation.

There can be no doubt on this subject of stagnation in the market, general depression and drain of specie reserve, of which I have advised by telegraph. Crisis threatens to be serious. Commend the interests of Colony to your protection.

No. 53.

LEEWARD ISLANDS (ANTIGUA).

THE SOCIETY AND PLANTERS to MR. CHAMBERLAIN.

(Received 2.30 a.m., March 8, 1902.)

TELEGRAM.

[*Answered by No.* 62.]

Society and Planters express gratitude successful efforts amelioration sugar industry interim assistance and pray factories early.

No. 54.

JAMAICA.

GOVERNOR SIR A. W. L. HEMMING to MR. CHAMBERLAIN.

(Received 3.20 p.m., March 8, 1902.)

TELEGRAM.

[*Answered by No.* 64.]

Referring to your telegram of 6th March,* resolution passed by Legislative Council expressing gratitude His Majesty's Government, yourself especially, efforts conducing to results Brussels Conference; trusts that steps will be taken by His Majesty's Government avert, if possible, further collapse sugar industry pending Convention taking effect.

No. 55.

BRITISH GUIANA.

GOVERNOR SIR J. A. SWETTENHAM to MR. CHAMBERLAIN.

(Received 8 a.m., March 9, 1902.)

TELEGRAM.

[*Answered by No.* 63.]

Combined Court offers congratulations on satisfactory result of Brussels Conference, and on behalf of people of Colony conveys thanks for your good services in connexion therewith.

No. 56.

RESOLUTIONS PASSED AT A MEETING OF THE ANTI-BOUNTY LEAGUE, MARCH 10TH, 1902.

The Right Hon. Lord STANMORE, G.C.M.G., in the Chair.

Resolved:—

1.—"That the Anti-Bounty League hereby records, on behalf of the British Home and Colonial Sugar Industries and allied trades, its satisfaction at the conclusion of the International Convention for the abolition of the foreign sugar bounty systems, signed at Brussels on the 6th inst., by which the removal of the disabilities under which those industries have been so long unfairly weighted is eventually secured from September 1st, 1903."

2.—"That it respectfully urges His Majesty's Government, in view of the continuance of those disabilities and, consequently, the present ruinous competition till September, 1903, to adopt such fiscal measures as will in the meantime give to British industries such equal opportunities in British markets with those enjoyed by their bounty-fed competitors as they would have possessed had it been agreed, as the British Government unsuccessfully urged during the negotiations at Brussels, that the Convention should come into operation during the current year."

3.—"That it desires further to express its cordial appreciation of the attitude maintained by His Majesty's Government throughout the recent International negotiations, to which their successful issue may in chief measure be attributed, and its confident opinion that, with equality of opportunity thus secured to them, in British markets until September, 1903, and in the open markets of the world by the operation of the Convention after

* No. 47.

September, 1903, British Sugar Industries will prove fully able to hold their own in the future."

MAYSON M. BEETON,
Secretary, Anti-Bounty League,
Billiter Square Buildings.

March 10th, 1902.

No. 57.

LEEWARD ISLANDS.

GOVERNOR SIR H. M. JACKSON to MR. CHAMBERLAIN.

(Received March 12, 1902.)

Government House, Antigua,
February 25, 1902.

SIR,

I HAVE the honour to acknowledge the receipt of your despatch of the 21st ultimo,* informing me that you fully appreciate the seriousness of the position in the Leeward Islands, but that His Majesty's Government have decided that the question of a central factory must await the result of the conference which is now sitting at Brussels.

2. I am not, of course, aware of the reasons which have prompted this decision, which I earnestly hope is only due to the prospect of the position of the sugar industry in general being so greatly improved by the abolition of bounties, should that be decided on at the conference, as to make merchants interested in the trade more ready to invest money in the erection of central factories than they now are. In that case, although the critical moment is perilously near, we can but await the result of the conference in patience, and in the confident assurance that there is no intention of abandoning the only measure which can restore a certain share of prosperity to these islands.

3. Unfortunately, however, it is also possible that the delay may be due to a belief that the benefit to the sugar industry of the abolition of bounties would be so great as to render central factories unnecessary in Antigua. If that be so, then it becomes my duty to enable you to give to His Majesty's Government the most positive assurances that such is not the case.

4. What the effect of the abolition of bounties may prove to be in large Colonies producing high-grade sugars it is not for me to say, since the Leeward Islands are not among them ; but it is only too certain that in these islands producing only muscovado, and that by means of indifferent machinery, the immediate effect will be the reverse of beneficial.

5. The American market is now the only one, a precarious one at best, but still the only one, now open to the low-grade sugars of these islands, and immediately the bounties are abolished that market will be thrown open to the competition of the whole of the Continental beet sugars. That thriving industry, thanks to years of artificial stimulus, is well equipped with the most modern machinery, while the planters of Antigua, who have had to face year after year of serious and increasing loss, are wholly without the means of obtaining capital to improve their old-fashioned and wasteful process.

6. In a discussion at the Agricultural Conference at Barbados in 1900, the President, Dr. Morris, said "If Muscovado sugar cannot compete in a protected market like that now existing in the United States, it is certain that it must fail in any market where it would come into open competition with beet sugar." (W. I. Bulletin, Vol. I., No. 2, p. 194.) He there showed that the loss in the process of manufacture by the machinery in use in these islands is from 30 to 40 per cent., and added that it is impossible for any industry to succeed where such a loss is sustained.

7. What the ultimate result of a possible abolition of bounties may be in years to come it is impossible as yet to forecast with any accuracy, but there seems no room to doubt that for a long time yet the immense stocks of sugar on hand (owing to over-production in the beet industry) and the strenuous efforts which cannot fail to be made by that trade to maintain its place in the markets of the world, will prevent any material rise in the price of low-grade sugars. It is also absolutely certain, as shown by Dr. Morris, that directly the muscovado and beet sugars come into open competition in the same markets, as they must do on the abolition of bounties, the former trade must be annihilated unless the production can be improved.

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* Not printed.

8. So far then from the possible abolition of the bounties making the question of central factories less pressing, at least so far as Antigua is concerned, it only makes it of more vital importance. If the bounty system be continued, the industry may linger on for a short time yet in a gradually diminishing condition, but with its abolition, and without central factories, there will be immediate stoppage in many of the largest estates.

9. I am aware that the views which I have ventured to express must seem to be contradicted by the action of the local planters, who have been asking for abolition of bounties, but I have shown this despatch to Mr. Watts of the Agricultural Department, whose acquaintance with all the conditions of the sugar industry is very thorough, and he has expressed his cordial concurrence in it.

10. With regard to the local planters he writes to me, "I fear they do not understand the position. They are following the cry of larger Colonies, equipped with machinery such as will enable them to compete in the English markets. They imagine that the abolition of the bounties will lead to substantial increases in the price of sugar, overlooking the danger of their own extinction in the time of stress arising from the disturbance of the system. They confuse in their minds the difference between abolition of bounties and countervailing duties, or preferential duties in limited markets like the United States of America."

11. Some, however, hold clearer views. Very recently, while discussing the question with the local representative of Mr. A. M. Lee, a gentleman who was mentioned to me at the Colonial Office as likely to take a prominent part in forming a syndicate to promote a central factory in Antigua, I was assured that he and other merchants in London are more than ever impressed with the belief that in those means alone lie the salvation of the industry, and that they have positively decided, whether the bounties are abolished or not, to withdraw their estates from cultivation at the end of the present crop, if the introduction of factories has not then been decided on.

12. This Mr. Lee is, it may be remembered, the head of the firm of A. M. Lee & Co., which was included in the list, transmitted with my despatch of the 31st December last,* of those who have sent notice of their intention to discontinue their advances, and I see no reason to doubt the information given me by his local representative, who is remarkably straightforward. This gentleman offered to show me their books, and informed me that the loss on his Company's estates last crop was over £1,000, and that although this year's crop is a large one, yet the price is so low that their loss cannot be less than £1,600. There is therefore ample excuse for stoppage unless their prospects can be improved.

13. On the ruin and destitution of the labouring class of this island which that stoppage would entail it is unnecessary to dwell. It would be complete and lasting. If the decay of the industry were only gradual, then there might also be a gradual introduction of remedial measures and of minor alternative industries, which while, as so often pointed out, they could never replace the sugar trade or restore prosperity to these Islands, might yet lessen the distress of the labourer, and afford him some means of finding a livelihood. But though such measures might be successfully introduced, and I hope in the case of Montserrat will be, while the people are not suffering from extraordinary pressure, there would be little hope for them were the whole labouring class disorganized and panic stricken by the sudden stoppage of the work, which they have been brought up to look on as the only possible means of gaining their daily bread.

14. After your strenuous and continued efforts to improve the condition of these Islands, and after the generous treatment you have obtained for them at the hands of the Imperial Government, it is, believe me, a most ungrateful task to be forced to continue to sound the note of warning, of which your ears may well be tired. The facts to which I have ventured to draw attention are, however, too plain to allow me to hesitate in fulfilling what I feel to be my duty towards yourself, to enable you to show that the immediate outlay in assisting towards the establishment in Antigua of a central factory is the only means of preventing a far larger and less useful outlay hereafter, and of enabling these Islands in the near future to cease being an anxiety and a continual expense to His Majesty's Government.

I have, &c.,
H. M. JACKSON,
Governor.

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* Not printed.

No. 58.

JAMAICA.

THE MERCHANTS' EXCHANGE, KINGSTON, to COLONIAL OFFICE.

(Received March 13, 1902.)

TELEGRAM.

[*Answered by No.* 66.]

Respectfully urge anything short free cane sugar until 1903 unavailing save ruin West India sugar industry.

No. 59.

LEEWARD ISLANDS.

GOVERNOR SIR H. M. JACKSON to MR. CHAMBERLAIN.

(Received 10.20 p.m., March 14, 1902.)

TELEGRAM.

[*Answered by No.* 67.]

Legislative Council, Leeward Islands, requests me to forward following resolution passed unanimously this day :—

That this Council records its high appreciation and tenders its thanks to His Majesty's principal Secretary of State for the Colonies for his untiring efforts in relation to abolition of bounties and the strong interest evinced by him in promoting the general welfare of the Colonies.

That this Council, while thankfully recognising the efforts of His Majesty's Government to obtain the abolition of bounties, respectfully urges upon its attention the perilous condition of the sugar industry of this Colony, and implores the grant of such relief as will enable the industry to survive the present crisis.

That, in opinion of this Council, the erection of central factories in the sugar-producing islands of this Colony for the manufacture of an improved quality of sugar is absolutely necessary for the maintenance of the industry therein.

No. 60.

BARBADOS.

MR. CHAMBERLAIN to GOVERNOR SIR F. M. HODGSON.

SIR, Downing Street, March 14, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 7th inst.* stating that the announcement of the signing of the Sugar Convention at Brussels had been received with much satisfaction in Barbados.

I have, &c.,
J. CHAMBERLAIN.

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* No. 50.

No. 61.

ST. VINCENT.

MR. CHAMBERLAIN to GOVERNOR SIR R. B. LLEWELYN.

SIR, Downing Street, March 14, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 7th inst.* conveying an expression of the appreciation of the planters, merchants and inhabitants of St. Vincent for the efforts of His Majesty's Government on their behalf, in connection with the Brussels Conference.

I have, &c.,
J. CHAMBERLAIN.

No. 62.

LEEWARD ISLANDS (ANTIGUA).

MR. CHAMBERLAIN to GOVERNOR SIR H. M. JACKSON.

SIR, Downing Street, March 14, 1902.

I HAVE the honour to inform you that I have received from the Society and Planters of Antigua a telegram,† a copy of which is enclosed for your information, conveying an expression of their gratitude for the efforts made by His Majesty's Government in connection with the Brussels Conference, and of their hope for assistance pending the Sugar Convention taking effect.

I shall be glad if you will be good enough to cause an acknowledgment to be conveyed to the senders of this telegram if you are aware from whom it emanated.

I have, &c.,
J. CHAMBERLAIN.

No. 63.

BRITISH GUIANA.

MR. CHAMBERLAIN to GOVERNOR SIR J. A. SWETTENHAM.

SIR, Downing Street, March 14, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 8th instant,‡ conveying the congratulations of the Combined Court of British Guiana on the satisfactory result of the Brussels Sugar Conference.

I have, &c.,
J. CHAMBERLAIN.

No. 64.

JAMAICA.

MR. CHAMBERLAIN to GOVERNOR SIR A. W. L. HEMMING.

SIR, Downing Street, March 14, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 8th instant,§ on the subject of a resolution passed by the Legislative Council of Jamaica expressing gratitude for the efforts of His Majesty's Government in connection with the Brussels Conference, and trusting that steps will be taken to avert, if possible, the further collapse of the sugar industry pending the Convention taking effect.

I have also to inform you that I received on the 6th instant a telegram‖ from the "Daily Gleaner" and one¶ from the Merchants' Exchange, Jamaica, expressing gratitude for the abolition of sugar bounties, and to request that you will be good enough to cause my acknowledgments to be conveyed to the senders.

I have, &c.,
J. CHAMBERLAIN.

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* No. 51. † No. 53. ‡ No. 55. § No. 54. ‖ No. 48. ¶ No. 49.

No. 65.

MAURITIUS.

INDIA OFFICE to COLONIAL OFFICE.

(Received March 19, 1902).

SIR, India Office, Whitehall, London, S.W., March 17, 1902.

IN reply to your letter dated 10th March,* I am directed by the Secretary of State for India in Council to say that a copy of Governor Sir Charles Bruce's telegram† to Mr. Secretary Chamberlain will be at once forwarded to the Government of India for their information.

I have, &c.,
HORACE WALPOLE.

No. 66.

JAMAICA.

MR. CHAMBERLAIN to GOVERNOR SIR A. W. L. HEMMING.

SIR, Downing Street, March 18, 1902.

WITH reference to my despatch of the 14th inst.‡ I have the honour to inform you that I have received a further telegram§ from the Merchants' Exchange, Jamaica, a copy of which is enclosed for your information, urging the admission of cane sugar into this country free of duty between now and September, 1903. I have to request that you will be good enough to cause an acknowledgment of this telegram to be sent to the Merchants' Exchange.

I have, &c.,
J. CHAMBERLAIN.

No. 67.

LEEWARD ISLANDS.

MR. CHAMBERLAIN to GOVERNOR SIR H. M. JACKSON.

SIR, Downing Street, March 18, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 14th inst. communicating the terms of a resolution which was passed by the Legislative Council of the Leeward Islands on the 14th of March, conveying an expression of gratitude for the efforts of His Majesty's Government in connection with the abolition of sugar bounties, and urging the grant of such relief as may enable the Sugar Industry of the Leeward Islands to survive the present crisis ; and specially advocating the erection of central sugar factories.

I have, &c.,
J. CHAMBERLAIN.

No. 68.

MAURITIUS.

GOVERNOR SIR CHARLES BRUCE to MR. CHAMBERLAIN.

(Received 11.17 a.m., March 22, 1902.)

TELEGRAM.

Referring to my telegram of 7th March,† deputation consisting of leading merchants and planters of the Indian community have submitted to me memorial, signed by 30,000 members of Indian community of all classes, addressed to Viceroy, India, in which they

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* Not printed. † No. 52. ‡ No. 64. § No. 58. ‖ No. 59.

express their adhesion to the resolution recently passed by the Chamber Agriculture and Chamber of Commerce. The merchants represent that their fortunes depend entirely on the purchases and payment out of the proceeds of the sugar crop of their imports from India, including practically the whole of grain trade and a large trade in cottons, &c.; they consider that their interests and the interests of the whole Indian community depend on sugar industry as bound up with the interests of the general planting community, and view with great alarm the misfortunes that threaten local industries caused by competition in the Indian markets of bounty and cartel-fed sugar, unless complete countervailing duties are imposed.

I am sending copy of this telegram to Viceroy of India with memorial, copy of which follows by first mail.

No. 69.

BARBADOS.

MESSRS. WILKINSON AND GAVILLER to COLONIAL OFFICE.

(Received March 25, 1902.)

[*Answered by No. 76.*]

DEAR SIR, 34, Great Tower Street, London, E.C., March 24, 1902.

WE are in receipt of your letter of the 18th inst.* informing us that Mr. Secretary Chamberlain had not received a report of the deputation referred to in our letter of the 14th inst.* We are surprised to hear this, as the deputation was a most influential and important one. We enclose the "Barbados Agricultural Reporter" of Saturday, March 1st, containing full particulars.*

Your remark that our letter of 31st January was written before the conclusion of the Brussels Convention, which, you add, it may be hoped will have the effect of restoring some measure of confidence, as regards the future, to those who are interested in the sugar industry of the West Indies; whilst admitting that this is so, we would beg to call your attention to the enclosed statement, from which you will see that the sugar industry in the West Indies is in grave peril pending the coming into force of the Convention on the 1st September, 1903, and, unless some assistance is given, planters will have the utmost difficulty in finding money to continue the cultivation during the interval.

Since writing you on the 31st January, the price of sugar has fallen a further 15*s.* per ton.

We remain, &c.,
WILKINSON & GAVILLER.

Enclosure in No. 69.

SUGAR BOUNTY CONVENTION.

Barbados till September 1st, 1903.

Royal Commission, 1897.—The Report of the Royal Commission in 1897 stated that the prices of sugar for that year had ranged much below those of any previous year, and had rendered cultivation unprofitable; the price referred to was 8*s.* 10½*d.* per cwt.

Bounties and Cartels.—Bounties direct and indirect (cartels) have during the last twelve months brought the price down to 6*s.* 4½*d.* per cwt., which will leave a loss of over £3 per ton on every ton produced or £150,000 on the *present* crop of 50,000 tons, including loss in value of molasses, which has depreciated in sympathy with sugar.

Result.—For more than 30 years Barbados sugar has been competing with bounty-fed sugar, with the result that nearly every estate has been mortgaged to the last stick and stone in order to raise money to continue the unequal fight, and by so doing have kept up a competition with the beet sugar producers to the advantage of the British consumer. A very large number have succumbed and been claimed by the Court of Chancery, where they still remain.

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* Not printed.

Ruin.—This state of affairs, if no aid is forthcoming between now and 1903, means *Ruin.*

There will be no funds available to continue the cultivation, as there is no security left on which to borrow money. The proceeds of the sugar will not even be sufficient to repay the amount borrowed to produce the present crop. There is no prospect of obtaining money to buy the necessary artificial manures upon which the success of the crops so largely depends.

Consequences.—The non-cultivation of the estates means the non-employment of labour, and the breakdown of the whole social fabric of the island, followed by starvation and distress of too painful a nature to anticipate.

Remedy.—The sugar industry must be kept alive, sugar being 97 per cent. of the total exports, and to save the island from ruin Government assistance is necessary to the extent of at least £3 per ton, and the most practical way to provide this is by a rebate of at least this amount in favour of British West Indian cane sugar.

This method of raising the money could not fail to impress Continental bounty-giving countries and help to bring about the ratification of the Convention. It would bring all West Indian sugar to the English market, which would tend towards a reduction in the sowings of beet; this would in time improve prices and so give further relief.

Another Remedy.—Failing a preferential duty a grant of £3 on every ton exported might save the situation, but this would shut the sugar out of the American market.

Present Position.—Crops just commenced, sugar unsaleable except at a sacrifice of over £3 per ton on cost of manufacture. Planters and merchants awaiting decision of Government before operating.

Extract of Letter from a Leading Planter, dated Barbados, March 1st, 1902.—For upwards of a quarter of a century this Colony has, in the words of the King's speech, been "unfairly weighted" by the action of foreign bounties, to which further injury has recently been added by the cartel system. The evil (which might have been stopped in its infancy) has increased from year to year; uncertainty has clogged the wheels of trade; capital has ceased to flow in; property has deteriorated in value to the extent of 75 per cent.; the price of sugar has continually fallen, till it has now reached a point at which it cannot be produced. Further, the merchants of this Island have just given notice that they can make no advances against the crop of 1903 if the present state of affairs continues. The crop, now being reaped, will be over in a very few months, and thereafter there will be no money to apply to the cultivation of estates, and our vast agricultural labouring population will be thrown out of employment and have no means of subsistence. We believe that if the people of England realised the dire straits to which we are reduced, and the near prospect of ruin hanging over us, they would extend to us their sympathy and help.

*Copy of Circular issued by Merchants.**

DEAR SIR, Bridgetown, 20th February, 1902.

As it is generally admitted that the sugar industry of this Island is threatened with extinction, which, from the present condition seems highly probable, we find, as advancers to plantations, our interest to a considerable extent will be imperilled, and unless a marked improvement in the outlook takes place, we have reluctantly come to the conclusion that it will be impossible for us to continue to make advances under "The Agricultural Aids Act, 1887," or otherwise, after the present crop is reaped. You will doubtless appreciate our action in giving you this early notice.

We are, &c.,

L. BERT, per C. W. HAYNES, Attorney.
J. R. BANCROFT & Co.
R. & G. CHALLENOR.
COLLYMORE & WRIGHT.
W. L. JOHNSON & Co., Ltd.
JAS. A. LYNCH & Co.
SAML. MANNING.
S. P. MUSSON, SON & Co.
H. E. THORNE & SON, Ltd.
WILKINSON & GAVILLER.

* Since this Circular was issued the price of sugar for the American market has fallen a further 15s. per ton, and the English market 10s. per ton.

Extract from "The Barbados Agricultural," Reported 1st March, 1902.—The events of the fortnight are historical. The merchants' circular is the death warrant of our sugar cane industry—of the only industry possible in this island. The ultimatum of the merchants is really the ultimatum of the Colonial Bank—the last word of English financiers who thereby acknowledge that their Government has robbed our industry of the last vestige of its credit. The bankers and merchants have acted like prudent men to whose resources there is an impassable limitation, and who cannot therefore afford to dissipate their capital. Like wise men they are endeavouring to save themselves, and while there is yet time, to leave the scuttled ship.

WILKINSON & GAVILLER.

No. 70.

BRITISH GUIANA.

GOVERNOR SIR J. A. SWETTENHAM to MR. CHAMBERLAIN.

(Received 9.35 p.m., March 24, 1902.)

TELEGRAM.

[*Answered by No. 75.*]

The Chamber of Commerce and the Planters' Association of British Guiana beg to offer their congratulations to the Right Honourable the Secretary of State for the Colonies on the successful result of the Brussels Conference, and to thank him for his persistent efforts to obtain fair play for the sugar industry of the British Colonies.

No. 71.

THE CREDIT FONCIER OF MAURITIUS, LIMITED, to COLONIAL OFFICE.

(Received March 27, 1902.)

[*Answered by No. 78.*]

The Crédit Foncier of Mauritius, Limited,

SIR, 39, Lombard Street, London, E.C., March 26, 1902.

I AM instructed by the Directors of this Company, and of the Agricultural Company of Mauritius, Limited, to forward to you copy of Resolutions passed by them at their Meeting held on the 18th instant, a copy of which I have this day sent to His Majesty's Principal Secretary of State for India.

I am, &c.,

ALF. G. DICK,
Manager.

Enclosure in No. 71.

THE SUGAR BOUNTIES CONVENTION.

RESOLUTIONS passed at a Joint Meeting of the Boards of Directors of The Crédit Foncier of Mauritius, Limited, and of The Agricultural Company of Mauritius, Limited, held on Tuesday, 18th March, 1902.

The Right Hon. Lord Stanmore, G.C.M.G., in the Chair.

Resolved:

1. That the Directors desire to convey their thanks to His Majesty's Government for having by the determined action of its Delegates been mainly instrumental in bringing to a successful conclusion the recent International Conference at Brussels.

2. That the Directors heard with great satisfaction of the final Agreement to abolish all Bounties—direct or indirect—as from 1st September, 1903.

3. That meantime the position of all Sugar Cane-producing Colonies of the Empire will become most critical and desperate if nothing be done to help them to tide over the intervening period.

4. That though this period may be short it will be quite long enough to inflict irreparable injury on those who, in the West Indies especially, may, without exaggeration be said to have reached the end of their resources.

5. That in the opinion of the two Boards the only effective remedy will be found in such temporary increase of the countervailing duties now imposed in India as shall neutralize the artificial support which will be received by the Continental sugar industry during the next eighteen months from the continuance for that time of cartels and bounties, and by the adoption of similar measures in other parts of His Majesty's Dominions.

6. That the Directors, being more particularly interested in the case of Mauritius, desire to give every support in their power to the Resolution passed by an influential meeting of the Chamber of Agriculture of Mauritius at Port Louis on the 7th instant, and duly communicated to His Majesty's Secretary of State for India by the Governor, Sir Charles Bruce, praying for the imposition of such countervailing duties by the Government of India.

7. That the Companies represented by the Directors having very large interests in the Sugar Industry of Mauritius, which is the only industry of that island, they realise to the full the great danger which threatens the Colony, and earnestly pray that the Government of India may see its way to granting the relief asked for. Should it be granted it would be unnecessary for Mauritius to apply to the Imperial Government for financial assistance of any sort, as may otherwise be inevitable.

8. That a copy of these Resolutions be forwarded to His Majesty's Principal Secretary of State for India.

No. 72.

THE BANK OF MAURITIUS, LIMITED, to COLONIAL OFFICE.

(Received March 31, 1902.)

[*Answered by No.* 78.]

The Bank of Mauritius, Limited, 10, George Yard, Lombard Street,
SIR, London, E.C., March 26, 1902.

I AM instructed by the Directors of this bank to forward to you the enclosed copy of Resolutions* with reference to the recommendations of the International Conference on Sugar bounties lately held at Brussels, which have been passed by this Board, and have to-day been forwarded to the Secretary of State for India.

I have, &c.,
For THE BANK OF MAURITIUS, LIMITED,
F. P. MURRAY,
Secretary.

No. 73.

ST. LUCIA.

GOVERNOR SIR R. B. LLEWELYN to MR. CHAMBERLAIN.

(Received March 27, 1902.)

[*Answered by No.* 79.]

St. Vincent, March 6, 1902.

Forwarded. I presume the telegram despatched to you by the Memorialists was duly received, and will be acknowledged together with this despatch.

R. B. LLEWELYN,
Governor.

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* The resolutions are similar to those in No. 71.

SIR, Government House, February 28, 1902.

I HAVE the honour to forward a letter, with its enclosures, which I have received from the Honourable Emmanuel du Boulay, the Chairman of a Public Meeting held in Castries on the 24th instant.

2. Your Excellency will see that the object of the meeting was to urge on the Imperial Government the necessity for the early adoption of such measures as may be necessary to protect the Sugar Industry of the Colony.

3. The present price of sugar is so low that the outlook may well cause alarm, not only to those who are directly interested in the Industry, but indirectly to those who depend for employment on the four factories now working in the Colony, and through them, to the Government which might be seriously embarrassed by a large number of people being thrown out of employment.

4. The position is, however, so well known to His Majesty's Government that it would be presumptuous on my part to go into further details of the subject.

I have, &c.,
HARRY THOMPSON,
Administrator.

His Excellency
Sir Robert B. Llewelyn, K.C.M.G.,
&c., &c., &c.,
Grenada.

Enclosure in No. 73.

SIR, Saint Lucia, February 27, 1902.

I BEG to bring to the knowledge of Your Honour and through you to that of the Right Honourable the Secretary of State for the Colonies, that on Monday, the 24th instant, a numerously and representatively attended Public Meeting was held at the Office of the Town Board at Castries, at which the following resolutions were unanimously adopted:—

No. 1. Moved by the Honourable G. Graf, of Minvielle and Chastanet, and a Director of the Cul de Sac Company, seconded by Mr. C. R. Kennaway, of Perle Estate, delegated by the Agricultural Society of Soufriere:—

"Whereas the price of sugar has been reduced to a point at which it can be manufactured only at a heavy loss, such a reduction being due to the fiscal policy of foreign nations, and to the operation of organizations which exist only by reason of such fiscal policy:"

Resolved: "That an appeal be made to the British Government to hasten such action as has been foreshadowed in the Speech of His Majesty the King at the opening of Parliament, as the only means of saving the principal industry of this Colony from irretrievable ruin."

Resolution 2. Moved by Mr. Wm. Degazon, Barrister-at-law, and Chairman of the Castries Town Board, seconded by Mr. R. G. McHugh, Editor of the "Voice of Saint Lucia," and Honorary Secretary of the Saint Lucia Agricultural Society:—

Resolved: "That the powerful advocacy of our nearest fellow Colonists in Canada be invoked to impress on the British Government the necessity of taking prompt and vigorous action to preserve the West India Sugar Industry, being the most important factor in the prospective development of commercial relations between Canada and the West Indies."

Resolution 3. Proposed by Mr. S. C. Melville, planter, and seconded by the Honourable George Thomas Plummer, of Macfarlane, Moffat and Company, Agents of the Dennery Sugar Factory Company:—

Resolved: "That a Committee consisting of the Chairman, Messrs. Graf, McHugh, and Peter, be appointed to give effect in such manner as they may deem expedient, to the resolutions passed at this meeting."

To give effect to the above resolutions, telegrams, of which copies are annexed, were, on the day following the meeting despatched to the Right Honourable the Secretary of State for the Colonies,* and to Sir Wilfrid Laurier, the Premier of Canada.

I also enclose printed reports of the proceedings of the meeting, which are fairly accurate.

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* See No. 41.

May I solicit Your Honour's sympathetic representation to the Secretary of State of the action which the inhabitants of Saint Lucia have taken, jointly with the other Sugar Colonies, to seek from the British Government the preservation from annihilation by hostile foreign combinations of their principal industry.

I have, &c.,
E. DU BOULAY,
Managing Director of the St. Lucia Usines and Estates Company, Chairman of the Meeting.

His Honour
Sir Harry Thompson, K.C.M.G.,
Administrator of the Government.

Copy of telegram sent by the Committee to the Premier of Canada.

Sir Wilfrid Laurier, Canada. Saint Lucia joins in Demerara's appeal for Canada's support our petition to Mother Country to save West Indies by counteracting bounties.

Public Meeting at Castries to appeal for help against the ruin of the Sugar Colonies by the Foreign Combination.

On Monday, the 24th instant a public meeting was held at the Office of the Town Board, in Castries, the object of which was:—"To bring St. Lucia into line with the neighbouring colonies in a last appeal to the Mother Country to take such action in connection with the Sugar Conference now being held at Brussels as may save the West Indies from ruin; and to ask the support of our cause by our sympathising fellow Colonists in Canada."

Thus was it stated on the posters set up all over the island, convening the meeting.

At 3 p.m., the appointed hour, there assembled a large number of gentlemen connected with agriculture and commerce, among whom we noted:—The Honourable Em. Du Boulay, Managing Director of the St. Lucia Estates and Usines Company, the Honourable Wm. Peter, of Peter and Company, the Honourable George Thomas Plummer, of Macfarlane, Moffat and Company, Agents for the Dennery Sugar Factory Company, the Honourable Gottfried Graf, of Minvielle and Chastanet, and a Director of the Grand-Cul-de-Sac Sugar Factory Company, the Honourable Alexander Clavier, the Honourable E. G. Bennett, Director of the Grand-Cul-de-Sac Sugar Factory, the Honourable Granville Ponsonby, of Choc., Messrs. William Degazon, Barrister-at-law and Chairman of the Castries Town Board, H. B. Murray, Manager of the Colonial Bank, G. V. Hepburn, of Roger Langellier and Company, George Williams, Merchant, R. G. McHugh, Editor of "The Voice of St. Lucia," and Secretary of the St. Lucia Agricultural Society, C. R. Kennaway, of La Perle, delegated by the Agricultural Society of Soufriere, John Girard, Esq., Barrister-at-law, S. Melville, planter, &c., and several hundred people, among whom were a great many small land holders and petty proprietors.

The Honourable Emmanuel Du Boulay having, on the motion of Mr. McHugh, seconded by the Honourable G. Graf, been unanimously voted to the chair, opened the proceedings thus:—

"Gentlemen, this meeting has been called in order that St. Lucia may join with the other West Indian Colonies and with British Guiana in an appeal to the Mother Country for help in the very serious crisis through which we are passing. It is hardly necessary for me to insist upon the gravity of the situation. It is I think only too well known to you all. The price of sugar having now fallen below the cost of production, it is self evident that the Industry cannot long survive such a state of affairs, and that unless some improvement in the value of our staple takes place, the sugar industry must speedily collapse. What such a general collapse would mean, not only in this island but throughout the West Indies I will not attempt to describe. (Hear, hear!)

Our only prospect of salvation lies in the action of the Imperial Government. It is our duty to join with the other Colonies and ask with no uncertain voice that we be saved from ruin by prompt measures on her part.

With this purpose in view this meeting has been called. Resolutions will be moved for which I ask your hearty and unanimous support. I will only express an earnest wish that they may serve to further and to hasten any measures which are contemplated by the Mother Country to ameliorate our condition. (Hear, hear!)

He called on Mr. Graf to move the first resolution, which he did as follows:—

"Whereas the price of sugar has been reduced to a point at which it can be manufactured only at a heavy loss, such a reduction being due to the fiscal policy of foreign nations and to the operation of organizations which exist only by reason of such fiscal policy:

Resolved: That an appeal be made to the British Government to hasten such action as has been foreshadowed in the speech of His Majesty the King at the opening of Parliament as the only means of saving the principal industry of this colony from irretrievable ruin."

The honourable gentleman said: "Gentlemen, we have met here to-day to make one more appeal to the British Government to take steps to remove by negotiation, if possible, or by legislation, if necessary, the unfair conditions under which the cane sugar industry of the British Colonies has been labouring for years past.

This time the outlook for success seems more hopeful than before. (Cheers.)

Our very misery may prove our salvation.

The reference to the Brussels Conference in the King's speech leads us to hope and believe that the British Government has realised the gravity of the situation and the acuteness of the crisis—and if that is so, we have, I think, in a great measure to thank the very Beetroot industry itself for it.

It may sound a paradox, but it is so. Had the Beet industry continued to remain content with the very handsome direct Government bounties, the West Indies might have had to drag along for a number of years more in a kind of state of semi-starvation. But now that the cartel has come into play, some immediate action has become imperative.

Perhaps it may not be out of place to explain what the cartel is.

The cartel is a gigantic combine of the Beet Growers and Manufacturers of Germany and Austria. In those countries the import duty on sugar is 10s. per cwt., or £10 per ton. By whipping every Sugar Factory of those countries into line, this combine, called cartell, manages to raise the price of sugar for home consumption to just within a fraction of the price which it would cost an importer who paid £10 per ton import duty; in other words, they make from £9 to £10 per ton profit on the sugar sold at home, and can afford to sell for export at a loss, and still make a profit on the whole transaction. Say a factory making 2,000 tons should sell half at home, 1,000 tons, at £9 per ton, or £9,000 profit, and export the other half, say 1,000, at £2 to £2 10s. loss, equal to £2,500—it would still make a profit of £6,500 to £7,000 on the total crop. Of course it is impossible to meet such competition. And now that this gigantic monster combine, abusing its powers in its anxiety to kill the Cane sugar Colonies, has forced the price of sugar in the open markets to such a low level, that the Cane sugar industry in the British Colonies must go to ruin in a year or two, the British Government sees, at last, that they must grapple with the situation, and there are signs that they have made up their minds to do so. If that proves to be the case, the battle is more than three-quarters won. Great Britain holds the key of the position; and if Great Britain will make a firm stand and say to the foreign nations "Either these bounties, State and cartel, direct or indirect, are abolished, or we will impose countervailing duties equivalent to the bounties," then all bounties are bound to disappear in a very short time. America has adopted the policy of countervailing duties already, and if Great Britain follows suit, Beet cannot enter the markets of the two biggest sugar-consuming countries except on equal terms with cane sugar. (Cheers.)

Let me be well understood. The Cane sugar industry asks the British Government for no favour or special advantage. It must stand or fall on its own merits. But what we do ask the Government is to give us a fair field to fight the battle out squarely and fairly, and I hope and trust that the British nation will see this time that we get fair play.

If not, God help the West Indies!" (Cheers.)

Mr. C. R. Kennaway seconded the resolution, which was carried by acclamation.

The Chairman called upon Mr. William Degazon to move the second resolution.

Mr. Degazon spoke as follows:—

"Gentlemen, I have been asked to move the following resolution:—

"That the powerful advocacy of our nearest fellow Colonists in Canada be invoked to impress on the British Government the necessity of taking prompt and vigorous action to preserve the West India Sugar Industry from destruction, that industry being the most important factor in the prospective development of commercial relations between Canada and the West Indies."

I do not think it is necessary to use many arguments in support of it. I think it speaks for itself, and I am sure you all agree something should be done, and done quickly, to prevent the destruction of the sugar industry, if possible. But whenever any man comes forward and asks you to support anything he puts before you, it is usual, and you have a right to expect of him, that he should tell you the reasons why he wishes you to support his proposal. This is why I propose to address a few words to you in support of this resolution. My first reason for moving this resolution is that I think an effort should be made to try and save the sugar industry in these islands by getting the bounties abolished; and my second reason is that as Canada is willing to hold out a helping hand to us we should take advantage of the opportunity to secure her assistance.

In my humble opinion everything should be done to prevent the collapse of the sugar industry because I think it is admitted that there is no other industry in these islands through which the same amount of money can be put into circulation and from which so large a number of persons can manage to obtain a livelihood. Besides, the cultivation of the sugar cane by the companies enables the labourer and peasant proprietor to obtain work by which he is able to maintain himself and his family whilst he is waiting for, and working at, the development of his Cocoa plantation. I say this because a great many of you peasant proprietors and labourers who are listening, know that the labourer or even the peasant proprietor who is able to do a few days' work in the fields for comparatively fair wages to help him on, and a few other days' work in his plantation, is the man who is able to establish the best cocoa plantation without being under the necessity of borrowing any capital. So that from this point of view, the sugar industry assists in the establishment and development of the cocoa industry. Furthermore, I cannot see why we should allow anything we already have to slip from us. From 1891 to 1900 the value of sugar exported from here decreased by £40,000, and the value of cocoa exported increased by only £10,000, so that we are at least £30,000 to the bad. This spells ruin. Now, do you think that those who have invested capital here in sugar estates and properties will continue to do so? I am sure not. They have money. They will lose a great deal, but they will save what they can from the wreck and take it away. The factories or estates will stop work, and when that happens what are you all who depend upon your wages going to do? Therefore, I think we should ask Canada to use her influence with the Mother Country in our favour. The moment is opportune. The Brussels Conference is now sitting, and we now have a Secretary of State who really understands our position and is anxious to help us. You know from your own experience in your private affairs what an advantage it is always to have a powerful friend who is ready to stand by you in a crisis; and you know what an impression this knowledge makes upon some of your friends and enemies, and how careful the latter are in their dealings with you. Now, Mr. Chamberlain said the other day in a speech that for once the Cabinet means business about the abolition of bounties. He is, therefore, our friend. But it would be unwise on our part to neglect asking our sister colony, Canada, to do what she can for us. She is able to get favours from the Mother Country because she has assisted her with the blood of her sons. Therefore, I feel confident that she will plead for us if we ask for it. And, as we know that she is willing to do so, let us try."

The resolution was enthusiastically carried.

Mr. McHugh seconded the resolution. He said that the condition of the West Indies had become desperate. The parting of the ways had been reached. Either something must be done at once to counteract the effects of the Continental bounties and cartels, or these colonies must throw up the sponge and accept the ruin against which they had been bravely struggling for years. Sugar was now selling at 6s. per hundredweight, which was fifty per cent. under what it could be grown and manufactured for. It must be clearly understood what the bounties meant. To promote

the cultivation of beet on the continent of Europe, and to favour the sugar manufacturers, who were very wealthy and powerful, the Governments principally of France, Germany and Austria had devised a scheme by which they put a heavy tax on the sugar consumed in those countries, and with the money raised by the tax they paid a premium on the sugar exported, which, as it came into England, the greatest sugar market in the world, on exactly the same terms as the British-made sugar of the West Indies, could be sold at a lower price, and still leave a profit from the premiums received. Such a system must of a necessity result in the total extinction of the British sugar industry. We saw it coming years ago. We had, for nearly twenty years, been pointing out the danger for us to successive British Governments. We had been appealing to them to save us from the ruin which they as well as ourselves saw impending. But the bounty system, if fatal for us, gave cheap sugar to the British taxpayer, and no party felt strong enough to risk the displeasure of the voter. They had tried to salve their conscience by putting forward the fetish of "Free Trade," and they had tinkered at all sorts of compromises and expedients by which to reconcile fair play to the sugar colonies with their political interests. The time had come at last when all these makeshifts had been rudely brushed aside, and the Mother Country had found herself face to face with the alternative of putting justice before expediency, or of offering to the world the most damaging evidence for the allegation of her decadence, by allowing some of her oldest Colonies, intimately associated with glorious episodes in her history, to be done to death by her enemies while she stood by unwilling or impotent to defend them. (Hear, hear.)

Fortunately for the sugar Colonies, as Mr. Degazon has just told them, there was prominent in the councils of the nation a statesman who had realised the imperial greatness of his mission, as Secretary of State for the Colonies—(cheers)—and who had done more than any of his predecessors in that office, by a sympathetic appreciation of Colonial sentiments and aspirations, to speed the work of consolidating the greatest Empire the world had ever seen. Every British Colony, even the least important, was feeling as they had never felt before, the impulse of his enlightened policy, and our sense of gratitude to him was aroused to the full measure of our past abandonment. (Cheers.) Mr. Chamberlain, with characteristic thoroughness, had thrown himself into the van of our battle, when it was going worst for us, and his leading was causing our foes to waver and to break. Now was the time to cheer him on and back him up, before they could recover and bear us down again. (Cheers.)

We were not quite without other friends who were watching our struggle with the anxiety born of a close community of interests, and who only waited for our cry for help, to chip in and stiffen our weakness with their greater weight.

The Dominion of Canada had, by a glorious sacrifice of men and money willingly offered in the serious struggle in which Great Britain was engaged in South Africa, established a claim on the nation's consideration which she lost no opportunity of acknowledging. (Cheers.) Canada, like a favourite child, could urge our cause with the Mother Country with an earnestness which must command attention, the more as she was actually making overtures to us to draw closer together the ties of our common parentage. (Hear, hear.)

Let us earnestly appeal to our big sister in our hour of bitter distress, and she would surely help us. (Prolonged cheers.)

Mr. S. Melville moved—

"That a Committee consisting of the Chairman, Messrs. Graf, McHugh and Peter, be chosen to give effect in such manner as they may deem expedient to the resolutions passed at this meeting."

He said St. Lucia could not stand out of the movement of the sugar Colonies to appeal for protection from the Mother Country, and help from the Colonies, for sugar was her principal product, and if that industry collapsed she would, if she escaped utter ruin, be terribly crippled. A combined effort might move the Government to save them, and it could do so with a word. (Cheers.)

The Honourable George Thomas Plummer seconded.

The resolution was carried.

A vote of thanks to the Chairman closed the proceedings.

No. 74.

BARBADOS.

GOVERNOR SIR F. M. HODGSON to MR. CHAMBERLAIN.

(Received March 27, 1902.)

(Extract.)

Government House, March 8, 1902.

I have the honour to inform you that yesterday I had the pleasure of making known the contents of your telegram of the 6th instant,* announcing that a Convention had been signed at Brussels as the result of the Conference with respect to Sugar bounties and cartels. The main provisions of the Convention are known here, and I can assure you that all classes of the people of Barbados feel very grateful to the Imperial Government for having brought the Conference to a successful issue, and very grateful to you personally for your energetic persistence in behalf of the Sugar Industry. I beg to convey to you the heartfelt thanks of this Government and of the people of Barbados, whose means of livelihood is almost entirely dependent upon the Sugar Industry, for the accomplishment by the Imperial Government of a step which gives fairplay to Sugar Cane Agriculturists, and should be the means of resuscitating the industry and arresting the further decadence of the sugar-growing Colonies of the West Indies.

Since I wrote my despatch of the 15th of January,† in which I stated that the planters and merchants of Barbados were viewing the outlook with dismay, the critical condition in which the Sugar Industry here finds itself has become more manifest. The matter is one which is giving me, and those who are associated with me in this Government, very much concern, as it seems to be not at all unlikely that before the results of the Brussels Convention can be felt there will be a financial crisis here, which, unless provided for beforehand, may land the Government in serious difficulties, and many of the people of all classes in great distress. I feel it to be my duty to lose no time in placing the existing state of affairs before you, which I will do as concisely as possible, and to ask your careful consideration of the line of action which suggests itself as the best to be taken in the event of the crisis occurring.

I must, I am afraid, trouble you with a few figures, so as to show you as plainly as possible the extent of the financial dangers which are threatening. The immediate cause of anxiety is the very low price obtainable for sugar. It is generally supposed that the output of sugar this year, so far as quantity and quality are concerned, will probably not fall much short, if at all, of that of last year, so that for statistical purposes last year's figures can be taken for the purpose of reviewing the situation.

In 1901 the output was, roughly, 65,000 hogsheads, consisting of 3,936 hogsheads of Vacuum Pan Sugar and 61,074 hogsheads of Muscovado Sugar, and there was also a yield of 46,043 puncheons of Molasses. The total sum realised on sale was £673,526. This year, assuming the output to be the same, the crop will not realise more than £512,796, taking the price of Muscovado Sugar at $1.20 per 100 pounds. I transmit returns showing how the two totals are arrived at, but I may say, with respect to this year's return, that the price of Muscovado Sugar has fallen to $1.05, so that as matters stand at present £512,796 is really more than will be obtained. Enclosure No. 1.

For the purpose of ascertaining the cost of producing and manufacturing 65,000 hogsheads of Sugar and 46,043 puncheons of Molasses, I have taken the figures given to the Royal Commissioners in 1897, by Mr. C. P. Clarke, who is at the present time a Member of the House of Assembly. They were based upon carefully prepared statistics (Table D., page 198, Appendix C., Vol. II.), and are to be found at page 9 of the Commissioners' report of their enquiry at Barbados. He worked out the cost at £9 16s. 2d. per ton, capital charges or charges arising from mortgages being disregarded. But from this sum has to be deducted the average revenue derived by an estate from provisions, live-stock, &c., which he calculated at £1 4s. for every ton of sugar, so that the actual cost of production and manufacture is brought down to £8 12s. 2d. per ton. These figures are perhaps at the present time a little too high, because the tendency in recent years has been to lop off expenditure wherever it has been possible to do so and to economise in every direction, but, as a matter of fact, any saving that may have been thus effected has been swallowed up in the general

* No. 47. † No. 27.

increase which has taken place in the price of manures and other commodities which an estate requires. For statistical purposes, therefore, the sum of £8 12s. 2d. may be taken as accurately representing the net cost of producing and manufacturing a ton of sugar.

The output this year is, as I have stated, represented by 65,000 hogsheads, which, taking the hogshead at 2,000 lbs. net, are equivalent to 58,035 tons. Then there are 46,043 puncheons of Molasses, which are equivalent to 16,830 tons of sugar, so that the total crop amounts to 74,865 tons. The cost of producing and manufacturing 74,865 tons at £8 12s. 2d. per ton, amounts to £644,462. The market value of the crop being £512,796 it follows that there will be a total loss of £131,666, or, say, in round figures, £132,000. The combined area of the Sugar Estates being 106,000 acres, the loss will amount to no less than 25s. an acre.

With profits swept away, with no money available for the payment of interest or mortgages, and with a probable loss of £132,000 on this year's crop confronting them, it is not to be wondered at that planters and merchants are dismayed at the prospect before them, and that the matter is one which is causing considerable concern to the Government.

There are at the present time, out of the 449 Sugar Estates in the Island, 49 estates in Chancery, and including these, 182 estates with a total area of 42,000 acres working under the provisions of the Agricultural Aids Act, No. 5, of 1887, that is to say, 182 estates have only been able to keep afloat during the hard times of recent years by working with money borrowed on the security of the growing crops. There are, doubtless, other estates which carry on their operations with money borrowed on the same security, but these may be regarded as not so financially unsound and will possibly be able to weather the storm which appears to be approaching.

The majority of the estates which take advantage of the provisions of the Agricultural Aids Act are in the hands of residents who are not only the managers of them but are also the nominal owners, men of whom some are Members of the House of Assembly or Legislative Council, and others are serving in various capacities in the local Government of the Island. It is upon these that the financial crisis, if it should unhappily occur, will fall with most severity. Many have struggled on during the hard times to which the Sugar Industry has been subjected without in any way swerving from the faithful discharge of their public duties, and it will be peculiarly hard, now that better times are imminent, that they should have to succumb before those times can be reached. It is impossible not to feel the utmost sympathy with them in their present straits, and not to endeavour to find some means of averting the catastrophe.

There have been several meetings, not only of the planters but also of the parochial vestries, who are fearful that in the event of the plantations going out of cultivation they will not only have a lessened area of taxation but a large number of starving people thrown upon their hands. Various resolutions have been passed, and on the 28th February I received a very important deputation of planters, who came to me as Head of the Government, for the purpose of reviewing the situation and eliciting sympathetic aid.

In the meantime, the merchants who finance the estates under the Agricultural Aids Act, had publicly notified by means of the circular, of which I transmit a copy, that "unless a marked improvement in the outlook takes place . . . it will be impossible . . . to continue to make advances under the Agricultural Aids Act or otherwise after the present crop is reaped." This announcement, which in plain words means the withdrawal of credit, has very naturally caused considerable excitement and perturbation. If acted upon, it means that the estates working under the Agricultural Aids Act being deprived of the means of carrying on, pass into the hands of the Court of Chancery and Receivers are appointed to work them. The merchants I may explain, very rarely loan their own money on growing crops. The money is found by the Colonial Bank or by one of the Bridgetown Corporate Bodies at a charge of 6 per cent., and the bills as drawn are backed by the merchants, who practically therefore stand security for repayment. The merchants have a lien on the crop, and are recouped for the risk they run by the profits which they make in the sale of manures, provisions, and all kind of stores which an estate requires, and by the sale and shipment of the sugar and molasses, for it is a stipulation that the estate shall do all its business with the mercantile firm financing it. These being the relations between the merchants and planters, it stands to reason that the former, whose business depends almost entirely upon their connexion with the sugar estates, would not

Enclosure No. 2.

cut away a large portion of their business until they were satisfied that the estates were too insolvent to offer them adequate security.

When I met the deputation of planters on the 28th February, I had not been afforded the necessary time to accurately fathom the extent of the impending crisis, and I was inclined to regard the action of the merchants as not being altogether genuine, but dictated rather by a desire to strengthen the hands of their clients, the planters, in their efforts to obtain aid in their distress. I was led, also, to form this opinion because, when estates are thrown into Chancery, loans upon growing crops have not only the crops as security but, if they fail to realize a sufficient sum, the corpus of the estate. It did not appear to me reasonable to suppose that merchants would relinquish lucrative business in the way of supplying an estate with manures, provisions, &c., so long as the estate had a saleable value. I am still of that opinion, but the merchants who signed the circular letter of the 20th February, have, with one exception, Messrs. Manning and Company, removed the doubt on the subject which I expressed to the deputation by signing the further circular, dated the 7th March, of which I enclose a copy, in which they state definitely that it is their final determination not to advance money on next year's crop to the Receiver of an estate in Chancery unless there is, in the meantime, considerable improvement in the outlook. They have not, in fact, sufficient capital at their back to admit of their locking up any part of it, even with the security of a first lien on the corpus of an estate. They cannot afford to wait for the return of their money until the estate changes hands, on sale by the Court of Chancery. I understand that the firm of Manning and Company do not coincide in the latter circular, and are willing to assist Receivers of estates in Chancery with loans of money. Enclosure No. 3.

The deputation had no definite proposal to place before me. Some of the members of it had advocated at the meeting of the Planters' Association, when the deputation was decided upon, the step of pressing this Government to obtain a loan from the Imperial Government, to enable it to step into the breach created by the merchants, and to assume the risk of loaning money to the estates as they stand at present, and before they reach the final stage of being placed in Chancery. But no one ventured to place this proposal directly before me, fearing that if the arrangement could be brought about it would probably be accompanied with some changes in the existing constitution of the Island, a contingency which I think I can safely say would, in the present feeling, be so repugnant to the planting community, that they would rather suffer personal extinction than lose any portion of the powers which they enjoy under existing circumstances.

I referred to this matter in my reply to the deputation, and I referred also to a monster petition which the Agricultural Society had decided to circulate for signature by every person in Barbados. I enclose a copy of my remarks with respect to both matters. I am glad to be able to say that the prosecution of the petition has, for the present at any rate, been abandoned. It would, I think, as I told the deputation, have been an unwise movement, as not unlikely to unsettle the labourers, and as accentuating the extreme unrest which exists on all sides as to the future. Enclosure No. 4.

The difficulty which confronts the Government is the possibility of a large number of additional estates passing into Chancery, and of Receivers of estates in Chancery failing to obtain advances of money to enable them to pay wages and to keep the estates working. If estates have to shut down, the Government is at once confronted with a mass of unemployed labourers clamouring for their daily bread, and with the added misfortune of loss of trade, which means loss of revenue, and, therefore, a restriction in the means of dealing with them. The ordinary machinery provided by each parish for the relief of those who are destitute would be quite unequal to the occasion. It is already strained to the utmost, and the parochial taxes available for poor relief would be inadequate to deal with any additional burden. The closure of estates to sugar cultivation would mean their abandonment, and a corresponding decrease in parochial taxation, so that parishes would not only be unable to make provision for an additional burden, but they would, on the other hand, find it impossible to maintain all the paupers now in receipt of poor relief. This view of the matter has not been overlooked by the vestries, for I have already received from six of them the petition of which I transmit a copy. I understand that the reason why the other five vestries, those of St. Michael, St. Peter, St. Lucy, St. Joseph, and St. John, have not subscribed to it is not because they do not view the situation in the same spirit but because they fear that if the Government should acquiesce and come to their assistance, Enclosure No. 5.

it would necessarily take part in the administration of any grant in aid, and would possibly demand some change in the existing form of local Government.

In reviewing the situation, there is an aspect of the matter which it is absolutely necessary to keep well in view, and that is this, that the revenue of the Colony depends almost entirely upon the spending capacity of the people, and it is not too much to say that three-fourths of the revenue is derived from the people either directly or indirectly. Any serious decrease in the spending capacity would lead to loss of revenue, and therefore render it impossible for the Government to efficiently maintain the existing public institutions. At the present time, with things more or less normal, the expenditure on absolutely necessary items of good government comes perilously close to the revenue, and any serious disturbance of the latter would certainly cause grave difficulties.

To a superficial observer the condition of the labouring classes of Barbados would not appear to be distressful, but there is, nevertheless, considerable distress underlying general appearances, and what I wrote on this point when advocating the establishment of Central Sugar Factories is correct. But the situation has since then developed further, and in the necessity for curtailing expenses in every direction in connexion with the sugar industry the labourers have not escaped. As a result, penury among them has increased. In connexion with this matter I cannot do better than transmit to you a copy of a letter which has been addressed to me by the Poor Law Inspector. It is clear from the extracts which accompany the letter, and it is to be observed that they were written before there was any fear of an immediate crisis, that when the estates are not at work, and the employment of labourers is reduced to a minimum, the general condition of the peasants becomes deplorable. It is generally agreed, also, that the long-continued lack of means to obtain sufficient nutriment is having an effect upon the physique of the rising generation, and further, that the labouring classes would, in their present impoverished condition, fall easy victims to any severe epidemic which may find its way to Barbados.

Enclosure No. 6.

It has been suggested that one means of disposing of unemployed labourers is by emigration, but the Barbadian is personally averse to leaving his country, and none of the neighbouring Colonies is willing to receive him because of his general independence of character, which brooks no restraint, and because away from his own country he does not always turn out satisfactorily. But in any case, there is no time for dealing with the impending crisis in that way, and most of the West Indian Colonies are not in want of labourers at the present time. Some other remedial measure must be devised.

So far as I can foresee, what the Government has to provide for is the contingency of about 150 estates, including those now in Chancery, shutting down pending the revival of the sugar industry, as a result of the Brussels Convention, unless money is forthcoming to finance them. This would mean that about 35,000 acres would be affected, in fact, roughly, one-third of the estates and one-third of the labouring classes. At the same time I regard this as an outside estimate, because I am sure that the persons referred to in a previous paragraph of this despatch, will, by what is called ratooning, that is to say not planting new canes but letting the old canes spring up again, by not using the usual quantity of fertilizers, and in other ways, all, however, more or less detrimental to the estate, do their utmost to tide over the crisis and prevent their estates passing out of their hands into Chancery. In any case I doubt if the estimate will be reached unless the outlook becomes graver than it is now, but nevertheless I think it best to look at the matter in its most unfavourable light, and to make provision accordingly.

There are no public works upon which a mass of unemployed labourers could be usefully placed, and I have come to the conclusion, after very careful consideration, that instead of administering doles to labourers thrown out of employment until the advent of better times, and thus pauperising them, it would be far the best arrangement, in the event of the crisis occurring, to tide over the difficulties which will then arise by keeping them in employment on the sugar estates, on which they live.

It is not improbable that the crisis will begin towards the end of June, for then it is that the land under sugar cultivation has to be fertilized; but I am disposed to think that merchants will permit the planters to obtain such manures as they may require for their 1903 crop upon the security of that crop, in order to clear off the stocks in their hands. If they do, money may not be wanted before August, but I desire to be on the safe side and to name June.

In acquainting you with the leading features of the present situation of affairs in Barbados, I am conscious that I may not have placed them before you in adequate terms or with sufficient clearness. I will, therefore, state finally, that in my judgment, and in that of my advisers, the occurrence of a financial crisis is very probable, and, if it occurs, may very possibly commence in June, unless the prices now obtainable for sugar greatly improve, thus rehabilitating the position of the merchants, or unless the Government is placed in a position to enable the Colony to tide over its difficulties until the Brussels Convention begins to take effect, or, again, unless the Imperial Government should find it possible to adopt some Imperial remedial measure which will favourably affect all the sugar-growing Colonies and restore credit. I ask for the assistance of the Imperial Government for two reasons, namely, in the general interests of the Colony, which has in the past been, and may still be, a valuable possession of the Crown, and, secondly, in the interests of the labourers who, if they are thrown out of employment will starve, and will at once become a menace to the public peace, and, further, in the interests of all persons, both planters and others, who are mainly dependent for their livelihood upon the staple industry of the Island. I regret that I have not been in a position to place the situation before you earlier. I have not been in a position to do so. Events have only recently developed, and I should not have felt justified in taking the extreme step of appealing to the Imperial Government for financial aid until the situation had cleared to the extent of enabling me to satisfy myself that the matter was likely to pass beyond the power of the local Government to grapple with, and to become one demanding Imperial assistance.

Enclosure 1 in No. 74.

Value of Barbados Sugar and Molasses Crops for 1901 at the average prices at which these articles sold for that year.

Vacuum Pan Crystals 3,936 Hhds. at $2.33 per 100 lbs. = £9 14s. 2d. per Hhd. of 2,000 lbs. net	£38,212	0	0
Muscovado 61,074 Hhds. at $1.70 per 100 lbs. and $5.00 per Hhd. = £8 2s. 6d. per Hhd. of 2,000 lbs. net ...	496,226	5	0
Puns. Molasses 46,043 at 10½ cents. per gall. and $4.00 per pun = £3 0s. 5d. per pun of 100 galls.... ...	139,088	4	7
	£673,526	9	7

Value of Barbados Sugar and Molasses Crops for 1902 at the prices to-day, February 24, 1902, on the supposition that the Sugar and Molasses Crops are the same this year as last year.

Vacuum Pan Crystals 3,936 Hhds. at $1.75 per 100 lbs. = £7 5s. 10d. per Hhd. of 2,000 lbs. net	£28,700	0	0
Muscovado 61,074 Hhds. at $1.20 per 100 lbs. and 5.00 per Hhd. = £6 0s. 10d. per Hhd. of 2,000 lbs. net ...	368,988	15	0
Puns Molasses 46,043 at 8 cents per gall. and $4.00 per pun = £2 10s. 0d. per pun of 100 galls.	115,107	10	0
	£512,796	5	0

Enclosure 2 in No. 74.

CIRCULAR.

DEAR SIR, Bridgetown, February 20, 1902.

As it is generally admitted that the Sugar Industry of this Island is threatened with extinction, which, from the present condition seems highly probable, we find, as advancers to Plantations, our interest to a considerable extent will be imperilled, and unless a marked improvement in the outlook takes place, we have reluctantly

come to the conclusion that it will be impossible for us to continue to make advances under "The Agricultural Aids Act, 1887," or otherwise, after the present crop is reaped. You will doubtless appreciate our action in giving you this early notice.

We are, Dear Sir,
Yours faithfully,

L. BERT, & C. W. HAYNES, Atty.
J. R. BANCROFT & Co.,
R. & G. CHALLENOR,
COLLYMORE & WRIGHT,
W. L. JOHNSON & Co., Ltd.,
JAS. A. LYNCH & Co.,
SAML. MANNING
S. P. MUSSON, SON & Co.,
H. E. THORNE & Son, Ltd.,
WILKINSON & GAVILLER.

Enclosure 3 in No. 74.

EXTRACT from the "ADVOCATE" of the 7th March, 1902.

The Merchant's Ultimatum.—To the Editor of the "Advocate."

Dear Sir,—We notice in the reports published in the newspapers, of His Excellency's speech, on the occasion of the reception of the Deputation from the Agricultural Society, which waited on him on the 28th ulto., that the following words are attributed to him :—"I think we ought as a body not to attach any considerable importance to the announcement which the merchants have made," and he proceeds to give his reasons. Again later on he is reported as saying :—"But I venture to say this, that the issue of the circular is to be regretted as premature, and not quite sincere." It is not our intention to criticise in any way what was said ; as probably His Excellency did not intend to convey any doubt of the "bona fides" of the Merchants' Circular ; but at the same time, such expressions, coming from one so high in authority, may lead to similar views being taken by the Planters, and therefore we desire through the medium of your paper, to reiterate our intention,—and to draw the attention of those interested to the fact—that, unless there is a marked improvement in the prices now ruling for both Sugar and Molasses, we shall not continue to make advances after the present crop is reaped (either under The Agricultural Aids Act, or otherwise) to Owners of Estates or to Receivers in Chancery, unless they can lodge with us approved security other than that provided for under the above Act.

We remain,
Yours faithfully.

S. P. MUSSON, SON & CO.
W. L. JOHNSON & CO., LTD.,
per WM. E. MEDFORD,
Managing Director.
WILKINSON & GAVILLER.
L. BERT, per C. W. HAYNES, Att.
COLLYMORE & WRIGHT.
J. R. BANCROFT.
R. & G. CHALLENOR.
JAMES A. LYNCH & CO.
H. E. THORNE & SON, LTD.

Enclosure 4 in No. 74.

EXTRACT from the "ADVOCATE" of 5th March, 1902.

It is not until the Receiver of an estate in Chancery fails to obtain loans on the security of the corpus of the estate that the question of estates shutting down comes to the front. That state of things is not immediately imminent. Merchants whose business in a great measure depends upon their working in with sugar estates are not going to suspend operations, excepting at the very last moment. That is the business way of looking at the matter ; and, when the matter is of such importance as this is, it must be so viewed. At any rate, I could not advocate the grant of an Imperial loan until all the machinery which the legislature has provided to meet such a situation, as now threatens, has been tried and failed. Again, it might be that were the Secretary of State to

listen favourably to proposals placed before him the conditions attached would be repugnant to you. You will find by reference to page 9 of the report of the Royal West India Commission, the Chairman drew attention to the security that would be required for a loan. He said :—

"The Secretary has handed me a report containing a copy of the despatch of the Secretary of State for the Colonies, and I find that the Secretary of State says that, as at present advised, he is opposed to any loan of Government money except upon absolute security, and he does not consider either land, machinery or buildings absolute security in a colony where all values depend upon the sugar industry."

I do not think that anything has occurred which should give us reason to believe that the opinion thus expressed by the Secretary of State five years ago, when it was thought the colony was on the eve of a crisis such as we are now facing, has undergone any serious change. There is another aspect of the matter. If the Government were to take the place of the merchants in the matter of lending money to the estates, it would very soon, in the nature of things, supplant the Colonial Bank. It would do its own financing, and I am quite certain that until estates are on the eve of becoming derelict, it would be unwise to drive the Colonial Bank out of the field.

Gentlemen, I should have preferred that you left your case in the hands of the Imperial Government, as you have already placed it through me, before the Secretary of State for the Colonies. There are paragraphs in the petition which you are circulating for signature with which I cannot coincide, and which I felt certain it would have been better to have omitted altogether. I am not sure also of the wisdom of obtaining the signatures or marks of the Agricultural labourers. Past experience has shown that they do not understand the drift of things. How can they if they have no means of following them from start to finish? And they may entirely misunderstand the present movement. At the same time I fully appreciate the spirit which led to the proposed monster petition. It was to show that the present cry of distress is not a cry of the planters only, but a cry from all parties, high and low, proprietor and peasant and to that extent it has my cordial sympathy and I am sure the sympathy of everyone in the island.

Enclosure 5 in No. 74.

To His Excellency Sir FREDERIC MITCHELL HODGSON, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor and Commander-in-Chief of the Island of Barbados.

The humble petition of the undersigned Vestries of the Island of Barbados.

Sheweth—

1. That your petitioners are the elected Representatives of the owners of land and other rateable property in this Island.

2. That on your petitioners is laid by the Legislature the duty of imposing a rate on land and other property and on trade, in order to provide the necessary funds for the relief of the poor, the upkeep of the various Parochial Institutions and Buildings, and for Sanitary and other purposes.

3. That owing to the present depressed condition of the Sugar Industry the amount of money in circulation among the labouring class has for some time been decreasing, and in consequence there is an increase in the number of applicants for poor relief.

4. That your petitioners being themselves the owners of land and other rateable property as well as being the Representatives of the owners of such land and property, realise fully how very difficult it is, at the present price of sugar, to continue to obtain advances for carrying on the cultivation of the land. As evidence of this a Circular has been received by the owners and others in charge of estates from the Merchants who have hitherto been advancing money for cultivation purposes giving timely notice that it will be impossible for them to continue such advances after the present crop is reaped.

5. That your petitioners cannot hope to raise money by taxation on land and other property for Parochial expenditure if it be impossible for the owners of estates to carry on the cultivation of the land; and that the expected crisis, due to the stoppage of advances for cultivation, will coincide with the time when Parochial Taxes become due.

6. That your petitioners feel sure that Your Excellency is not unmindful of the extreme gravity of the situation, but Your petitioners feel it their duty as the Representatives of the owners of land and other property, both resident and absentee, to submit to Your Excellency the foregoing statement of facts, and the urgent necessity for considering the most effectual means to be provided for meeting the crisis with which the Parochial Institutions and the administration of Poor Relief and Sanitation are threatened.

7. Your petitioners therefore respectfully pray that Your Excellency will, with the least delay, take such steps as to Your Excellency may seem best for dealing with the situation which seems imminent.

And your petitioners as in duty bound will ever pray, &c.

A. P. BERKELEY,
Rector and Chairman of Vestry,
St. Philip.

W. ALLEYNE ALLDER,
Rector and Chairman of Vestry,
Ch. Church.

J. MILTON ALLEYNE,
Rector and Chairman of Vestry,
St. Andrew.

E. B. BOVELL,
Rector and Chairman of Vestry,
St. George.

W. C. WATSON,
Rector and Chairman of Vestry,
St. James.

EDWD. N. THOMAS,
Rector and Chairman of Vestry,
St. Thomas.

Enclosure 6 in No. 74.

SIR, Harmony Hall, Barbados, March 5, 1902.

I HAVE the honour to forward for the information of His Excellency the Governor the attached extracts from the minute book of the Board of Guardians of the parish of St. Thomas, and from the quarterly reports of Medical Officers of St. Thomas and St. Lucy, which relate to the extreme poverty and depressed condition of the labourers of these parishes during the last "slack season." Doubtless this condition of things has temporarily improved during the crop season that is now in full swing, but there is every reason to expect that the condition described will be more acute during the next "slack season" when the "crop season" is over.

I propose to embody these extracts in my half yearly report which is to be forwarded very soon, but it appeared to me that His Excellency might like to be informed in advance of these matters in view of the present financial crisis.

I have, &c.,
JOHN HUTSON,
Poor Law Inspector.

The Honourable
F. J. Newton, C.M.G.,
Colonial Secretary.

EXTRACT from the Minute Book of the Board of Guardians of the parish of St. Thomas. October, 1901.

October 21st.—The local Inspector begged to call the attention of the Board to the extreme poverty of the labourers in the parish, and especially to the children; that he considered they were most of them suffering from want of proper and sufficient food, and that the strength of the labourer was greatly reduced, and for the want of food he could not now perform a day's work as heretofore, and that the children were really dying for want of proper food and care, and suggested that some means be adopted to give them something to eat. The matter was discussed by the Board, who were of opinion that this state of things was correct, and that they would consider the matter.

EXTRACT from Quarterly Report of the Medical Officer for the parish of St. Thomas, July to September, 1901.

Poverty is steadily increasing throughout the Island, and unless some system of Emigration under Government control be established to induce our people to cultivate the fertile lands in our immediate neighbourhood, * * * * the keeping alive of such a large and numerous population as is represented by our labouring classes will be a problem far beyond the power of our Parochial system of poor relief, and, indeed, will tax to the utmost the resources of any Government. Already I can clearly see that the present system of poor relief is inadequate, and there is a vast amount of poverty verging on starvation which is being patiently borne by thousands of our labouring classes.

EXTRACT from the Quarterly Report, October to December, 1901, of the Medical Officer for St. Lucy.

One cannot help observing the very low state of the general health of the majority of the labouring class. Their power of resistance to any disease of an epidemic form would be very slight, and there is no doubt that want of proper and sufficient nourishment is the cause of their present state of health.

No. 75.

BRITISH GUIANA.

MR. CHAMBERLAIN to GOVERNOR SIR J. A. SWETTENHAM.

SIR, Downing Street, March 27, 1902.

I HAVE the honour to acknowledge the receipt of your telegram of the 24th instant,* conveying the congratulations of the Chamber of Commerce and of the Planters' Association of British Guiana on the successful result of the Brussels Conference, and an expression of their thanks for the persistent efforts which have been made to obtain fair play for the sugar industry in the British Colonies.

I have, &c.,
J. CHAMBERLAIN.

No. 76.

COLONIAL OFFICE to MESSRS. WILKINSON & GAVILLER.

GENTLEMEN, Downing Street, March 27, 1902.

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 24th instant,† forwarding a press report of the deputation of the Barbados Agricultural Society to the Governor.

Mr. Chamberlain observes from the Governor's reply to the deputation that he proposed to address a despatch upon the subject to the Secretary of State which despatch will probably be received by the mail now due.‡

I am, &c.,
C. P. LUCAS.

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* No. 70. No. 69. ‡ No. 74.

No. 77.

JAMAICA.

THE ROYAL JAMAICA SOCIETY AND MERCHANTS' EXCHANGE to COLONIAL OFFICE.

(Received March 31, 1902.)

[*Answered by No.* 80.]

Royal Jamaica Society of Agriculture and Commerce and Merchant's Exchange, Kingston, Jamaica, March 12, 1902.

SIR,

I HAVE the honour to advise that on the 6th instant,* on behalf of the Members of this Society, I despatched to you the following cable:—

"Gratitude for your successful exertions abolition bounties."

which I trust you duly received.

The Members of this Exchange comprise all the principal merchants and a large number of the agriculturists of this Island, and by their instructions I crave leave to tender you their sincere gratitude for the successful conclusion of the Brussels Convention, and to state that they are satisfied that the abolition of the bounties is due principally to your untiring efforts, skilful diplomacy, and powerful influence.

I am also directed to point out to you that in order to keep alive the Sugar Industry in the West Indies until the Convention comes into operation, it is absolutely necessary that relief should be given to the West India planters of cane at once. It has been rumoured that it is the intention of His Majesty's Government to admit Cane Sugar free, but I have since heard that the Government does not intend to do as much as this. I am asked to point out to you that nothing short of free cane sugar until the Brussels Convention comes into force can save the British West Indies from ruin. The present situation is, indeed, critical, as the price of sugar in the United States, which has for some years been our principal market, is now at the lowest point that it has ever been known to reach. So urgent does the Council of this Society consider this matter to be that I have taken the liberty of cabling you to-day as follows:—†

"Respectfully urge anything short of free cane sugar until 1903 unavailing save from ruin West India Sugar Industry."

I have, &c.,

J. L. ASHENHEIM,

Secretary.

No. 78.

COLONIAL OFFICE to THE BANK OF MAURITIUS, LIMITED, and the CREDIT FONCIER OF MAURITIUS, LIMITED.

Downing Street, April 1, 1902.

SIR,

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 26th ultimo,‡ forwarding a copy of resolutions passed by—

[1. The Board of Directors of the Bank of Mauritius, Limited, at a meeting;]

[2. A joint meeting of the Boards of Directors of the Crédit Foncier of Mauritius, Limited, and of the Agricultural Company of Mauritius, Limited,]

held on the 18th ultimo, relating to the recent International Conference on the subject of Sugar bounties.

I am, &c.,

C. P. LUCAS.

No. 79.

ST. LUCIA.

MR. CHAMBERLAIN to GOVERNOR SIR R. B. LLEWELYN.

Downing Street, April 1, 1902.

SIR,

I HAVE the honour to acknowledge the receipt of your despatch of the 6th ultimo,§ with one from the Administrator of St. Lucia forwarding a letter, with en-

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* No. 49. † No. 58. ‡ Nos. 71 and 72. § No. 73.

closures, received from the Honourable E. du Boulay, Chairman of a Public Meeting held in Castries on the 24th ultimo, on the subject of the Sugar Industry of the West Indies.

2. I have at the same time to acknowledge the receipt of the telegram of the 25th of February,* a copy of which forms one of the enclosures to the letter mentioned above, and I would request you to cause an acknowledgment thereof to be conveyed to the Chairman of the Meeting.

I have, &c.,
J. CHAMBERLAIN.

No. 80.

JAMAICA.

MR. CHAMBERLAIN to GOVERNOR SIR A. W. L. HEMMING.

SIR, Downing Street, April 1, 1902.

WITH reference to my despatches of the 14th and of the 18th of March,† I have the honour to request you to inform the Royal Jamaica Society of Agriculture and Commerce and Merchant's Exchange that I have duly received their letter of the 12th of March,‡ expressing gratitude for my exertions in the matter of the European Sugar bounties, and urging that cane sugar should be admitted into this country free of duty till the Brussels Sugar Convention comes into force.

I have, &c.,
J. CHAMBERLAIN.

No. 81.

JAMAICA.

GOVERNOR SIR A. W. L. HEMMING to MR. CHAMBERLAIN.

(Received April 2, 1902.)

[*Answered by No.* 82.]

SIR, King's House, Jamaica, March 19, 1902.

I HAVE the honour to forward herewith the accompanying copy of a letter from the Royal Jamaica Society of Agriculture and Commerce and Merchant's Exchange, urging the entire removal of all duty on cane sugar until the coming into operation in September, 1903, of the Brussels Convention.

2. I need scarcely say that I trust that every possible relief to the cane sugar industry will be given by His Majesty's Government, for I fear that it is beyond question that unless any assistance that may be afforded is liberal, the sugar industry in this Colony will be further crippled.

I have, &c.,
AUGUSTUS W. L. HEMMING,
Governor.

Enclosure in No. 81.

From the SECRETARY OF THE ROYAL JAMAICA SOCIETY OF AGRICULTURE AND COMMERCE to the COLONIAL SECRETARY.

SIR, March 12, 1902.

I HAVE to inform you, for the information of His Excellency the Governor, that it has come to my knowledge confidentially, that although negotiations are still going on in London with His Majesty's Government, for the taking off of the present duties on Cane Sugar, until the Brussels Convention comes into operation, it does not seem that up to the moment His Majesty's Government are prepared to promise a larger reduction than £1 per ton.

As, in the opinion of the Council of this Society, anything short of the entire removal of all the duty levied on Cane Sugar until 1903, would be ineffectual, and as the matter is of vital importance to this Colony, I was directed to cable Mr. Chamberlain, respectfully urging on him the removal of all the duties on Cane Sugar.

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* No. 41. † Nos. 64 and 66. ‡ No. 77.

I, therefore, wired Mr. Chamberlain to-day as follows:—*

"Respectfully urge anything short free Cane Sugar until 1903, unavailing save ruin West India Sugar Industry."

and by mail via America closing to-day, I have confirmed the Cable by letter, and in the name of this Society taken the liberty of emphasising to the Right Honourable Joseph Chamberlain the point that nothing short of the entire removal of the duty on Cane Sugar until 1903, could save the West India Colonies from ruin.

The Council of this Society feel satisfied that His Excellency the Governor will assist in every possible manner the efforts now being made both in England and here to press on His Majesty's Government the necessity of removing entirely the duty on Cane Sugar until the Convention concluded at Brussels shall come into force.

I have, &c.,

J. L. ASHENHEIM,
Secretary.

Honourable Sydney Olivier, C.M.G.,
Colonial Secretary,
Kingston.

No. 82.

JAMAICA.

MR. CHAMBERLAIN to GOVERNOR SIR A. W. L. HEMMING.

SIR, Downing Street, April 5, 1902.

I HAVE the honour to acknowledge the receipt of your despatch of the 19th of March,† in which you forward a copy of a letter from the Royal Jamaica Society of Agriculture and Merchant's Exchange, urging that as a measure of relief to the West Indies, cane sugar should be exempted from duty in the United Kingdom until the Brussels Convention comes into force in September, 1903.

I have, &c.,

J. CHAMBERLAIN.

No. 83.

BARBADOS.

THE BARBADOS AGRICULTURAL SOCIETY to MR. CHAMBERLAIN.

(Received 8.0 p.m., April 5, 1902.)

TELEGRAM.

[*Answered by No.* 85.]

Accept grateful thanks results Brussels Conference.

No. 84.

MAURITIUS.

GOVERNOR SIR CHARLES BRUCE to MR. CHAMBERLAIN.

(Received April 7, 1902.)

SIR, Government House, Mauritius, March 8, 1902.

WITH reference to my telegram of the 7th instant,‡ I have now the honour to transmit copies of the Resolution voted by the Chambers of Agriculture, of Commerce, and of Brokers, on the subject of Indian duties on sugar.

2. The Chambers complain that in spite of the countervailing duties imposed in 1899 beetroot sugar is enabled by direct and indirect bounties, and especially by the Cartel system, to flood the Indian market at prices with which it is impossible for Mauritius sugar to compete.

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* No. 58. † No. 81. ‡ No. 52.

3. The consequence is that at the present moment a large stock of sugars of the lately manufactured crop, amounting perhaps to one-third of the whole, can find no purchasers, except at prices which would be disastrous to the planters. It is pointed out, moreover, that as the Brussels Conference Convention will only come into operation in September, 1903, the whole of the coming crop will labour under the same paralysing disadvantage, and this will be all the more serious inasmuch as the crop has in some parts suffered materially from the effects of the cyclones I recently reported.

4. The Chambers urge that the only means of combatting the competition of cartel-fed sugar is by the imposition, pending the coming into operation of the Brussels Convention, of additional duties in India so as to countervail not only the bounties paid by foreign States, but the indirect bounty of the cartel system. It is estimated that, assuming the State-paid bounty to amount to £1 10s. per ton, the benefit to Austrian produce under the cartel system amounts to about £3 5s. per ton, more than double the direct bounty the duties raised in India in 1899 were designed to countervail.

5. The Honourable F. Nash, a member of the Legislative Council, has submitted to the Chambers a copy of a letter addressed by Mr. Quintin Hogg to Lord George Hamilton, which deals exhaustively with the whole subject, and although this letter has probably been communicated to you I annex a copy for convenient reference.

6. With reference to the effect of the collapse of the sugar market on the monetary transactions of this Colony, I may point out that for rice and other grains, forming the bulk of the approvisionment of the Island, we are practically dependent entirely on India, and that sugar is the normal medium of exchange for the payment of these commodities. Sugar failing, the rate of bank drafts becomes so high as to be practically prohibitive, and the only medium of exchange becomes the silver rupee.

7. The practical effect of the present state of things has been, consequently, the export of nearly Rs. 2,500,000 in specie, and so long as the sugars of the last crop remain unsold the outflow is likely to continue unless checked in some such way as was resorted to in 1898. It is not, I think, too much to say that we find ourselves in presence of many of the elements of the crisis of that year.

8. In making the present appeal to you for protection, the Colony is emboldened by a just appreciation of the immense benefits conferred on Mauritius by yourself and by the action of the Indian Government. It is confidently hoped that you may find means to avert a calamity which threatens to overtake the Colony in the interval between the signing of the Brussels Convention and the date when the sugar industry of the Empire will enjoy the benefit of its operation.

9. The Chambers have promised me a detail statement which I hope to transmit next week.

I have, &c.,
CHAS. BRUCE,
Governor.

Enclosure 1 in No. 84.

RESOLUTION votée à l'unanimité, à la Réunion extraordinaire des Chambres d'Agriculture, de Commerce et des Courtiers, tenue à l'Institut, le 6 Mars 1902:

Considérant que les résolutions adoptées au commencement de cette anneé, à la conférence de Bruxelles, ne recevront leur application qu'en Septembre 1903;

Considérant que la Colonie souffre beaucoup du fait de la concurrence déloyale qui lui est faite par les sucres de betterave de l'Europe;

Considérant que, malgré les *countervailing duties*, ces sucres envahissent le marché de l'Inde, grâce aux primes directes et indirectes dont ils bénéficient, et surtout à l'institution des cartels;

Considérant que ces sucres ne sont qu'imparfaitement atteints par les *countervailing duties* établis dans l'Inde en 1899,—

Les Chambres réunies d'Agriculture de Commerce et la Corporation des Courtiers, au nom des intérêts qu'elles représentent et au nom de la Colonie tout entière, demandent au Gouverneur de vouloir bien télégraphier au Secrétaire d'Etat pour les Colonies, afin d'attirer son attention sur la situation désastreuse où nous sommes et le

prier de demander au Gouvernement de l'Inde de relever au plus tôt les droits compensateurs au niveau des primes directes et indirectes dont bénéficient les sucres de betterave de l'Europe.

ALPH. BOULLÉ,
Syndic de la Corporation des Courtiers.
P. ADAM,
Président de la Chambre de Commerce.
L. SOUCHON,
Président de la Chambre d'Agriculture.

Enclosure 2 in No. 84.

MR. QUINTIN HOGG'S LETTER.

TO THE RIGHT HONORABLE LORD GEORGE HAMILTON, SECRETARY OF STATE, INDIA OFFICE.
December 16th 1901.

Your lordship will be aware that in the Spring of 1899 certain countervailing duties were imposed on bounty-fed sugars imported into India, with the design of securing for cane sugar produced in India and elsewhere free trade prices, by which I mean prices dependent on the cost of production and the laws of supply and demand, as distinct from those artificially created by export bounties or otherwise.

From figures which will appear later on in this letter your lordship will see that the countervailing duties had at first a distinctly beneficial effect, and the object of this letter is to point out that recently rings have been formed in Germany and Austria for the purpose of creating a fund for supplying further export bounties in addition to, and larger than, those granted by the State.

In the spring of 1899 when the countervailing duties were passed by the Indian Government, the bounties were in brief as follows: In Austria under the law in force since the 1st August, 1896, a sum of nine million florins, or say, about £750,000, was yearly set apart by the State for the encouragement of sugar export. By a Royal Decree dated 17th July, 1899, the premia granted on such exports were raised to 1 f. 1·60 and 2 f. 1·30, per 100 kilos according to the class of sugar. The grade of sugar exported to India is such as to come almost entirely within the rate of 2 f. 1·30 per 100 kilos, and thus it was put on the market with an advantage of nearly £2 per ton.

In Germany under the law of 27th May, 1896, which is still in force, an increased rate of export bounties was granted as follows per metric centner—equal to about 2 cwts.

	m.
Class A	2·50
„ B	3·55
„ C	3·

or a bounty of about 30*s.* per ton for the class of sugar usually exported to India.

The result of the Indian legislation above referred to was practically to neutralise the above bounties, and cause the sugar to meet that locally grown on approximately equal terms.

This being the case those interested in the production of sugar in Germany and Austria set to work to create fresh bounties more difficult to countervail, and which would give them their old advantage in the Indian markets. Their ability to do this depended wholly on the Custom duties in the two countries rendering it impossible for any outside sugar to be imported into their markets for local consumption.

The manufacturers and refiners, therefore, backed by this protective legislation, were enabled to combine in rings, and to raise the price of sugar for home consumption to such a high level as to collect for themselves what amounted to a supplementary bounty from the consumers. Locally this is known as the cartel.

The total additional bounty thus secured by manufacturers and refiners in Austria during 1900 is calculated by the Sucreries Belges to have been 67,000,000 kronen, equal to about £2,790,000 sterling, which divided over a sugar production equal to 1,004,500 tons refined, is equal to about £2 15*s.* per ton of sugar produced.

This added to the direct export bounty above referred to enables the Austrian sugar to go to the Indian market with a total advantage of about £4 15*s.* per ton, of which less than half is countervailed.

In Germany it appears from a calculation made on the basis of the figures of the first four months of the current year, that the effect of the German cartel will be to give a bounty to the sugar manufacturers and refiners equal to about 13*s.* 6*d.* per 100 kilos of refined sugar, or say, £6 15*s.* per ton for all sugars sold for home consumption, and this amount spread over the total production of about 2,000,000 tons taken in terms of refined sugar, would be equivalent to over £5,000,000 sterling, or about £2 10*s.* per ton. This is in addition to the direct export bounty, so that German sugars will come this year to the Indian market with a bounty advantage of at least £4 per ton, of which only 30*s.* is countervailed.

If it be objected with regard to Germany that the above figures are based on estimates only, we can apply the working of the cartel to the campaign of 1899–1900. Had the ring been then in existence the total bounty on exports to India during that period would have been as follows:

Bounty of Consumption ... ... 102,621,000 marks.

This spread over the total production of equal to 1,612,000 tons would form a bounty of £3 3*s*. per ton, which in addition to the direct export bounty of 30*s*. would have given a total bounty of £4 13*s*. per ton for sugars placed by the German exporter on the Indian market.

The above figures show that the effect of the German and Austrian cartel is to enable exporters to place their sugars on the Indian market with more than double the advantage obtained from the export bounties, and that the Indian legislation, though designed to secure equal advantages for all, is no longer able to do this owing to the action of the foreign rings.

The importation of German and Austrian sugars into India have been as follows :—

1897–98	2,147,086 cwt.
1898–99	1,477,708 „
1899–00	838,347 „
1900–01	1,723,304 „

and it is believed that these importations have largely increased during the current trade year.

The course of prices in India before and since the imposition of the countervailing duties was as follows :—

	r.	a.	p.	
1898 (March to December)	7	10	8	per maund
1899 (January to May)	7	8	0	„
1899 (June to December)	8	6	10	„
1900 (January to December)	8	12	8	„
1901 (January to June)	8	5	11	„
1901 (November to December)	7	8	0	„

from which it will be seen that the security gained from countervailing duties has already been completely lost, and it is probable that the sugar values in India will be still further artificially depreciated.

Countervailing duties already imposed in India having thus proved insufficient to meet the circumstances which have since arisen, and to cope with the evils to remedy which they were designed, I would venture to urge upon your Lordship the necessity for reconsidering the actual amounts of the export bounties on the German and Austrian sugar, so that to indirect bounties created by the cartel may be added those openly granted by the respective governments.

The entire amount should be countervailed, or the object of the Indian Government will be completely frustrated by the action of the foreign rings above referred to, which, as I have shown above, have succeeded in creating in their own favour artificial subsidies even larger than those granted by the State.

I have, &c.,
QUINTIN HOGG.

No. 85.

BARBADOS.

MR. CHAMBERLAIN to GOVERNOR SIR F. M. HODGSON.

SIR, Downing Street, April 9, 1902.

I HAVE the honour to inform you that I have received a telegram from the Barbados Agricultural Society, a copy of which is enclosed,* expressing their thanks for the result of the Brussels Sugar Conference and to request that you will be good enough to cause an acknowledgment to be forwarded to the Society.

I have, &c.,
J. CHAMBERLAIN.

No. 86.

MAURITIUS.

GOVERNOR SIR CHAS. BRUCE to MR. CHAMBERLAIN.

(Received April 14, 1902.)

SIR, Government House, Mauritius, March 14, 1902.

IN continuation of my despatch of the 8th instant,† transmitting a Resolution voted by the Chambers of Agriculture, of Commerce and of Brokers on the subject of Indian duties on Sugar, I have now the honour to transmit a Memorandum explanatory of the Resolution, signed by the Honourable L. Souchon and Mr. P. Adam, Presidents

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* No. 83. † No. 84.

of the Chambers of Agriculture and Commerce, and by Mr. A. Boullé, Syndic of the Corporation of Brokers.

2. The terms of this Memorandum and of my despatch of the 8th March* will be found, I hope, sufficiently clear to enable you to realize the prejudice done to the sugar industry of this Island by the bounties granted by the Governments of Continental sugar-producing countries, and by the combination called the cartel.

3. It remains for me, therefore, only again to commend to you and to the Government of India the prayer of the Memorialists—that there may be imposed on all foreign sugars imported into India an additional import duty sufficient to countervail all bounties received by the producers, whether directly from the State or indirectly through the action of the cartel.

I have, &c.,
CHAS. BRUCE,
Governor.

Enclosure in No. 86.

MEMORANDUM Explanatory of the Resolution adopted by the Chamber of Agriculture, the Chamber of Commerce and the Corporation of Brokers at a Meeting held on the 6th March, 1902.

To the Right Honourable
JOSEPH CHAMBERLAIN, P.C.,
His Majesty's Principal Secretary of State
for the Colonies,
&c., &c., &c.,

Your Memorialists are engaged in and derive their livelihood directly or indirectly from the cultivation of the sugar cane and the manufacture of sugar, and most respectfully submit to you the following statement:

That the wages and sustenance of the great bulk of the population, including nearly 300,000 Indians, depend entirely upon the sugar industry;

That, if the sugar industry in this Island were to collapse, it would not be possible to substitute any other industry for it. Attempts have actually been made to cultivate aloe fibre, vanilla and tea, but the results proved so unremunerative that the plantations could not be continued on any large scale, or had to be gradually given up;

That it may, therefore, be said with truth, that the maintenance of the sugar industry is a question of life and death to the whole Colony;

That the principal outlets for the finer classes of Mauritius sugar are the Indian markets;

That, owing to the bounties granted by Continental Sugar Producing Powers, and to the combination recently established in Germany and Austria, called the cartel, beetroot sugar can be introduced into India and sold under the cost of production;

That great prejudice has thereby been already caused to planters and mill owners in this Colony;

That, in 1899, the Indian Government imposed an import duty on foreign sugars to countervail the bounties given; but that this is quite inoperative as regards the effects of the cartel;

That the importation of beetroot sugar, under unfair and artificial advantages, has thus greatly increased, while the imports of Mauritius sugar have proportionately decreased, and the prices have been driven down to such a point that the Colony is in consequence suffering from serious financial difficulties;

That Your Memorialists are informed that the new Sugar Convention made between the Powers for the abolition of bounties, and the reduction of Import duties to fr. 6 per 100 kilos., will not come into force until September 1st, 1903;

That a large proportion of sugar produced during the Crop just ended remains unsold for the reasons above given, and that before the Convention can be acted upon, the Crop of 1902 has to be made, and the lands and canes for the crop of 1903 have to be planted and cultivated;

That, in view of the enormous surplus of sugar disposable in Europe, and due to the overproduction caused and fostered by the bounty system, and the cartel, your Memorialists fear that the Indian Markets will be flooded by beetroot sugar, and that a further reduction in price will consequently ensue;

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* No. 84.

That the consequences must inevitably be disastrous to the planters and the numerous Indian population interested in the sugar industry of this Colony;

Wherefore your Memorialists most respectfully beg you to urgently press their case upon His Majesty's Government, and upon the Government of India, with the view of obtaining the immediate imposition in India of an additional and special import duty upon all foreign sugars receiving bounties, whether directly from the State or indirectly through the action of the cartel, to the extent, and no more, of the bounties or grants so received.

In fact, what they ask is simply that another step, which has become necessary through circumstances which have arisen since, be taken in the same direction as the measure adopted three years ago, and in order to secure an entirely similar object. They therefore trust that His Majesty's Government and the Indian Government will not hesitate to grant them the help they crave for, and which alone can ward off the disaster with which they are threatened.

Your Memorialists have the honour to be,
Sir,
Your most obedient and humble servants,
L. SOUCHON,
President of the Chamber of Agriculture.
ALPH. BOULLÉ,
Syndic, Corporation of Brokers.
P. ADAM,
President, Chamber of Commerce.

No. 87.

MAURITIUS.

GOVERNOR SIR CHAS. BRUCE to MR. CHAMBERLAIN.

(Received April 14, 1902.)

SIR, Government House, Mauritius, March 22, 1902.

WITH reference to my telegram of this date,* and my despatches,† noted in the margin, on the subject of Indian duties on sugar, I have the honour to transmit, herewith, copies of the Memorial addressed to the Viceroy by the leading merchants and planters of the Indian Community, in which they express their adhesion to the Resolutions recently passed by the Chambers of Agriculture, of Commerce and of Brokers. I am sending the Memorial direct to the Viceroy.

March 8, 1902.
March 14, 1902.

2. I feel that it is unnecessary to add anything to my previous despatches, in which I have committed to your protection the fortunes of this Colony.

I have, &c.,
CHAS. BRUCE,
Governor.

Enclosure in No. 87.

Port Louis, Mauritius, this 21st March, 1902.

To His Excellency
THE VICEROY OF INDIA,
&c., &c., &c.,
In Council.

The humble petition of the undersigned members of the Indian Community in Mauritius,

RESPECTFULLY SHEWETH:

1. That as Merchants, Sugar Estate Owners, Traders, Planters, or Peasant proprietors, they are largely occupied and interested in the cultivation of the sugar cane, and in the manufacture and sale of sugar in Mauritius.

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* No. 68. † Nos. 84 and 86.

2. That they learnt, with the deepest concern, that the resolutions of the Brussels Conference would not come into force until the 1st of September next year, inasmuch as, however great the success there obtained by the British Government, yet, on account of the delay, the result arrived at will not relieve the Colony from the difficulties which it has had to contend with during the past year. Those difficulties cannot fail to increase during the period separating us from the date when the new measures will come into force; a large quantity of the crop which has just finished remains unsold; the unfair competition due to the bounty and cartel systems have brought it about that prices for cane sugar have been persistently falling—to sell at present prices would be most damaging to all concerned.

3. That the Chambers of Agriculture and Commerce and the Corporation of Brokers of this Colony have held most largely attended meetings on this subject, and have passed resolutions respectfully "begging the Right Honourable Joseph "Chamberlain, P.C., H.M.'s Principal Secretary of State for the Colonies to press "their case upon His Majesty's Government and upon the Government of India, "with the view of obtaining the immediate imposition of an additional and special "import duty upon all foreign sugars receiving bounties, whether directly from the "State, or indirectly through the action of the cartel, to the extent, and no more, of "the bounties or grants so received."

4. That the purport of those resolutions has been cabled to the Secretary of State by the Governor who has unhesitatingly given them his powerful and cordial support, for His Excellency is fully aware of the difficulties now existing, and of those which the next eighteen months have in store for the Colony, if the present state of matters is allowed to continue.

5. That the undersigned entirely concur in those resolutions and in the views expressed in the explanatory memorandum transmitted to the Home Government, but in their distress and anxiety they respectfully turn to your Excellency and the Indian Government for help in this matter which is of paramount importance to them.

The prosperity of your petitioners is intimately connected with that of the Colony generally, and as the sugar industry is the only one upon which Mauritius really depends for the welfare and livelihood of its inhabitants, your Indian subjects living or settled therein must inevitably share the lot of the country, when it has to go through trials and hardships occasioned by its suffering in its staple industry.

6. That your Indian subjects are numerous in Mauritius; there are about 300,000 of them in the Island. Among the undersigned, there are merchants who also have counters in the Presidencies and other parts of British India; they, as well as many of the traders, and other countrymen of theirs in business, who sign this memorial, have acquired large and valuable property all over the Island; many of the Indian labouring class have, also, gradually become land owners to a very considerable extent—during the year 1900 alone they have acquired landed property for a value of nearly Rs. 2,000,000. All these facts speak for themselves and show how greatly interested your petitioners are in the welfare of the Colony. It is beyond doubt, that the position of all the undersigned, whether high or low, will be very prejudicially affected if Mauritius is left to struggle against unfair competition until the time when the Brussels Convention comes into force.

Your Petitioners foresee that, during the next eighteen months, merchants and traders will find it very difficult to sell their goods, the produce of India; the purchase of Mauritius sugar, which until lately constituted an important part of the business of those among them connected with Bombay—about one half of the Colony's sugar may be said yearly to go to that port—will become a source of anxiety and loss, and may have to be given up by them. As a matter of fact, the commerce between India and Mauritius will be hampered and very much reduced; the wages of the labourer will be lowered, and that class of peasant proprietors that has of late been acquiring extensive lands which they cultivate in sugar canes, will severely suffer; they particularly deserve Your Excellency's high sympathy. Some, by their work and thrifty habits, have succeeded in paying off their purchase money, but the prices they will obtain from the mill owners for their sugar canes will hardly be sufficient to cover their outlay, and remunerate their labor. As for those who still owe their purchase money, and who are bound to pay it out of the sale of their canes, they will find it impossible to meet their engagements, and will have to face the greatest difficulties.

7. The only relief to this deplorable state of matters is protection against the bounty and the cartel systems, by means of countervailing duties annihilating their nefarious effects. In the year 1898 the Government of India, seeing the position of

the sugar-cane growers both in India and in this colony, very considerately imposed the duty which was thought sufficient to counteract the bounty system; but the wise measure then taken, was, in course of time, baffled by the institution of the cartel, which has, little by little, brought with it considerable suffering for the sugar-cane industry. It is against those terrible adversaries that your Indian subjects in Mauritius respectfully apply to Your Excellency in Council for aid and protection.

Your Petitioners, therefore, venture to hope that their appeal will be received with that solicitude which the Indian Government has always shown to its subjects whether residing in India or abroad, and they pray that the Indian Government be pleased to take such measures as are necessary to impose, without delay, duties upon all Foreign sugars receiving bounties, whether directly from the State, or indirectly through the action of the cartel, to the extent of the bounties or grants so received.

And as in duty bound the Petitioners will ever pray.

[Signed by about 30,000 members of the Indian Community.]

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